H.R. 3821, THE EQUITY AND CHOICE ACT HEARING

HEARING

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

HEARING HELD IN WASHINGTON, DC, FEBRUARY 26, 1986

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CONTENTS

Page

Hearing held in Washington, DC, on February 26, 1986 1

Statement of:

- Bennett, Hon. William J., Secretary of Education, U.S. Department of Education 7

Prepared statements, letters, supplemental materials, et cetera:

- Bennett, Hon. William J., Secretary of Education, U.S. Department of Education, prepared statement of 13
- Craig, Hon. Larry E., a Representative in Congress from the State of Idaho, prepared statement of 4
- "Federal Share of Education Funding," chart entitled 30
- "Federal Spending Cuts in Selected Education Programs: 1980-87," chart entitled 31
- Norris, Frances, M., Assistant Secretary, U.S. Department of Education, letter to Hon. Augustus F. Hawkins, dated April 29, 1986, enclosing responses to questions 81
- Roque, Hon. Awilda Aponte, secretary, Puerto Rico Department of Education, prepared statement of 104
- Waldman, Lois C., acting director, Commission of Law and Social Action, American Jewish Congress, prepared statement of 109

H.R. 3821, THE EQUITY AND CHOICE ACT

HEARING

WEDNESDAY, FEBRUARY 26, 1986

House of Representatives,
Subcommittee on Elementary, Secondary,
and Vocational Education,
Committee on Education and Labor,
Washington, DC.

The committee met pursuant to call at 9:20 a.m., in room 2175, Rayburn House Office Building, Hon. Augustus F. Hawkins (chairman of the committee) presiding.

Members present: Representatives Hawkins, Ford, Kildee, Martinez, Owens, Goodling, Gunderson, McKernan, Armey, and Fawell.

Also present: Representatives Clay, Hayes, Dymally, Petri, Bartlett, and Henry.

Staff present: John F. Jennings, counsel; Nancy Kober, legislative specialist; Andrew Hartman, Republican legislative associate.

Chairman **Hawkins**. The Subcommittee on Elementary, Secondary, and Vocational Education is called to order. The purpose of the hearing this morning is to afford an opportunity to the Secretary of Education to present to the subcommittee his so-called voucher proposal. The chair has no remarks, but would like to simply state that there are some of us, I think Mr. Ford and perhaps one or two others who pioneered in the development of the Elementary and Secondary Education Act of 1965, who, as a result of that experience, are certainly enthusiastic about retaining the features of the landmark legislation which we developed during the 1960's in an opposition to anything that may threaten the continuation and the expansion of that act.

Over a period of time, this committee and Congress have made many changes to the 1965 act in order to improve it, to make sure that it went to the educationally deprived and economically disadvantaged, and to correct any abuses—and there were some abuses in the early days. We have sought to preserve the fiscal integrity of the program, to promote parental involvement, and to mandate that money should be used specifically to supplement, not to supplant State and local efforts. We also found that diffusing educational money among many programs led to a limited effect on children and their achievements. As a result of this, we feel that we have developed the act to the point where it is considered even by the Department of Education and others one of the most effective and successful programs that we have.

It is, I think, ironic that those of us who, in the sixties, were involved in the so-called war on poverty at that time opposed experimentation with the voucher proposal. It was one of the Johnson proposals that we thought was the least successful, and I think that has been borne out by its rejection where it has been tried.

We are not opposed to experimentation, but we feel that, if desired, it should not be done at the expense of a longstanding, cost-effective, and successful program such as the compensatory education program known as Chapter 1.

There's an old expression that each tub should stand on its own bottom, and we think that the voucher proposal, if it is to be used for any purpose whatsoever, should not take money away from Chapter 1 and should either come out of the funds available as discretionary funds in the Department of Education or at least new money.

It is my own personal belief that the voucher proposal is an irresponsible public policy, because the rules, regulations, and procedures that we have built into Chapter 1 from experience would not follow the voucher proposal, and that it will lead to an abuse and misuse of Federal money. For example, under the administration's proposal, tuition voucher money could be used for various purposes, even refurbishing the principal's office of a private school or leading children into mountains on ski trips, rather than being used for things pertaining to the basics in education.

We also believe that it would result in two school systems, one which would operate under extreme public control, which would be accountable, highly regulated, and which could not reject students regardless of the type of students who come to the public schools. The other system would, of course, be exempt from these ordinary regulations, could select the students, could reject disadvantaged, reject handicapped children, or reject children for any reason whatsoever.

This obviously is not intended as a criticism of parochial or private schools. They serve a distinct and desirable role in education, but mixing the two would be to the disadvantage of both, because the private schools would lose a lot of the private aspects of what they offer, and it would be at the expense of the public schools.

We have other reasons for opposing the voucher proposal, but we recognize there are differences of opinion. We are delighted to have one strong opinion exhibited to us today. The Secretary and I have differed in many ways, but I hope our differences will be in the spirit of what is best for the children of this country and what is best for the country itself.

At this time, I would like to yield to the ranking minority member of the committee, Mr. Goodling, for any remarks which he may wish to make.

Mr. GOODLING. Mr. Chairman, I don't have any prepared remarks. I just want to welcome the Secretary and those with him. We look forward to your testimony, and we're interested to hear what you have to say about this proposal, and I will indicate my enthusiasm later. I'm primarily interested to hear what you have to say about the proposal you want to try to sell to the Congress.

Chairman HAWKINS. Thank you. Any other member wish to make a statement at this point? Mr. Armey?

Mr. ARMEY. I have a prepared statement I would like to submit for the record, and ask unanimous consent to be permitted to present a statement on behalf of Congressman Larry Craig.

Chairman HAWKINS. Without objection, so ordered.

[The prepared statement of Hon. Larry E. Craig follows:]

FEBRUARY 26, 1986

STATEMENT ON BEHALF OF TEACH TO THE SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

BY CONGRESSMAN LARRY E. CRAIG

MR. CHAIRMAN, I AM AN ORIGINAL COSPONSOR OF H.R. 3821, THE EQUITY CHOICE ACT OF 1985, AND I WOULD LIKE TO TAKE THIS OPPORTUNITY TO PUBLICIZE MY REASONS FOR SUPPORTING THE VOUCHERS CONCEPT FOR THE CHAPTER 1 REMEDIAL EDUCATION PROGRAM. CONGRESS INSTITUTED THE CHAPTER 1 PROGRAM TO PROVIDE SPECIAL EDUCATIONAL SERVICES TO ALL EDUCATIONALLY DISADVANTAGED STUDENTS. UNDER THE CURRENT SYSTEM, EACH SCHOOL DETERMINES THE NUMBER OF THEIR STUDENTS WHO QUALIFY FOR THIS MONEY TO CALCULATE THE AMOUNT OF CHAPTER 1 FUNDS TO WHICH THEY ARE ENTITLED.

THE EQUITY CHOICES ACT OF 1985 BETTER KNOWN AS "TEACH" WOULD PROVIDE THE PARENTS OF EDUCATIONALLY DISADVANTAGED CHILDREN WITH A VOUCHER AND THE PERMISSION TO USE IT AT ANY PUBLIC OR PRIVATE SCHOOL OF THEIR CHOICE. BY EXPANDING THE RANGE OF CHOICES AVAILABLE TO PARENTS THROUGH THE USE OF A VOUCHER SYSTEM, TEACH WOULD ALLOW THEM TO SEND THEIR CHILDREN TO THE SCHOOL THAT PROVIDES PROGRAMS WHICH BEST MEET THEIR CHILDREN'S INDIVIDUAL NEEDS. PARENTAL CHOICE WILL PROMOTE HEALTHY COMPETITION AMONG SCHOOLS TO IMPROVE THE EDUCATION OF CHAPTER 1 CHILDREN.

THE AMOUNT OF THE VOUCHER ITSELF WILL VARY DEPENDING ON EACH AREA'S COST OF EDUCATION. THE AVERAGE VOUCHER WOULD BE ABOUT $630. IT IS IMPORTANT TO NOTE THAT THE PARENTS OF THESE CHILDREN WOULD NOT RECEIVE A CHECK FOR THIS AMOUNT OF MONEY, BUT A CERTIFICATE WHICH THEY WOULD GIVE TO THE SCHOOL OF THEIR CHOICE AS THE EQUIVALENT OF A TUITION PAYMENT. BECAUSE IT IS NOT A CHECK, IT COULD NOT BE CASHED AND MISAPPROPRIATED BY PARENTS.

THIS BILL DOES NOT CREATE A NEW PROGRAM OR INCREASE FEDERAL SPENDING IN ANY WAY. IT MERELY CHANGES THE WAY THIS ALREADY EXISTING PROGRAM IS ADMINISTERED TO ALLOW PARENTS MORE CHOICE IN THE EDUCATIONAL PROCESS.

UNDER THE CURRENT BUDGET CRUNCH IT IS DOUBTFUL THAT CONGRESS WILL AGREE TO INCREASE FUNDING TO EITHER EXPAND OR INCREASE THE NUMBER OF OUR EDUCATIONAL PROGRAMS. THEREFORE IN ORDER TO UPGRADE EDUCATION, CONGRESS MUST LOOK TO INCORPORATE REASONABLE INNOVATIONS--SUCH AS THE VOUCHER CONCEPT--TO IMPROVE ALREADY EXISTING PROGRAMS.

I HAVE LONG BEEN APPREHENSIVE ABOUT THE ESTABLISHMENT OF A VOUCHER SYSTEM FOR THE ENTIRE PUBLIC EDUCATIONAL SYSTEM. MANY RESPECTED EDUCATORS ARE CONVINCED SUCH A SYSTEM COULD ONLY BE DETRIMENTAL. ON THE OTHER HAND, THERE ARE THOSE, EQUALLY RESPECTED, WHO CLAIM THAT VOUCHERS WOULD NOT ONLY INCREASE PARENTAL CHOICE, BUT WOULD ALSO IMPROVE THE QUALITY OF EDUCATION. I AM CONVINCED THAT TEACH PROVIDES THE IDEAL OPPORTUNITY TO TEST THE VOUCHER CONCEPT SINCE THE NUMBER OF STUDENTS AFFECTED BY THIS PROGRAM IS COMPARATIVELY SMALL. BY ENACTING TEACH, CONGRESS COULD IMPLEMENT THE VOUCHER SYSTEM ON A TRIAL BASIS

THEREBY OPENING THE DOOR TO TREMENDOUS EDUCATIONAL GAINS WITH RELATIVELY LITTLE RISK.

I URGE THE SUBCOMMITTEE TO JOIN WITH ME IN SUPPORTING THIS LEGISLATION WHICH WOULD FOSTER PARENTAL PARTICIPATION, HEALTHY COMPETITION IN OUR SCHOOLS, AND ULTIMATELY A BETTER EDUCATIONAL SYSTEM.

Mr. **Armey**. I would also like to take the opportunity at the outset to say that I am a supporter and welcome the Secretary.

Chairman **Hawkins**. Thank you. Mr. Bartlett?

Mr. **Bartlett**. Mr. Chairman, I appreciate the opportunity to participate in the subcommittee. I have been a member of the subcommittee and look forward to the Secretary's testimony. I'm also a supporter of vouchers.

Chairman **Hawkins**. Well, with that, Mr. Secretary, it's obvious you have some supporters on the committee, and we look forward to your testimony, and we hope that you will identify the associates you have with you who are seated at the table.

STATEMENT OF HON. WILLIAM J. BENNETT, SECRETARY OF EDUCATION, U.S. DEPARTMENT OF EDUCATION

Secretary **Bennett**. Thank you very much, Mr. Chairman. It's a pleasure to be here. I am delighted that we will have a full and fair hearing on this issue. If I could just make one comment before beginning my statement. You said that over the years Congress has made improvements in Chapter 1 and that its a good program. We believe it's a good program too. And we believe that we have something that will improve it even more.

Let me introduce my colleagues: the Under Secretary of the Department of Education Gary Bauer, and General Counsel of the Department, Wendell Willkie. I'll go to my statement now.

I'm pleased to be here today to testify on behalf of a proposal that I believe can be a great step forward for American education reform. The Equity and Choice Act, also known as the TEACH bill, would allow parents of certain educationally disadvantaged children to obtain vouchers under chapter 1 of the Education Consolidation and Improvement Act of 1981.

As some of you may know, soon after becoming Secretary of Education, I outlined three ideas that seemed to me to be central to serious education reform. I call these ideas the three C's—content, character, and choice. That choice is one of these three guideposts reflects the significance which we at the Department of Education attach to this bill.

I want to say at the outset that I very much appreciate the subcommittee's effort today to give this proposal a full and fair hearing. The education reform movement has prospered from responsible and serious debate about thoughtful ideas. I know, Mr. Chairman, that you have expressed to your own constituents your intention to give this idea a full and fair discussion and analyze it on its merits.

We welcome such a discussion. We welcome such an analysis, and we believe the American people are willing and ready for serious discussion about this proposal. As discussion of education reform continues, it's becoming clear that parental choice in education is an idea whose time has come. Parental choice is gaining ever more widespread acceptance, whether in the form of vouchers, open enrollment, public school policies, alternative or magnet schools, tuition tax credits, or second chance programs.

American parents clearly want choices when it comes to their children's education, and more and more thoughtful people are giving serious consideration to the possibilities of different kinds of choice.

Robert Woodson, president of the National Center for Neighborhood Enterprise, has written that increased competition among schools would stimulate educators and provide more responsive programs, involve parents more directly and, with any luck, force bad schools to improve.

Albert Shanker, president of the AFT, who has criticized this proposal, nonetheless says, "I believe that we in the teacher union movement ought to support the greatest possible choice among public schools by parents and teachers. Attendance is much higher and dropout rates lower in those public schools that students themselves have chosen to go to."

Gov. Lamar Alexander of Tennessee, who is encouraging interdistrict transfers in his State to expand choice, has declared choice essential to his long-range program for improving schools.

Columnist William Raspberry, thoughtfully weighing the issues posed by choice in general and by this bill in particular, has written that this proposal "might provide a relatively risk-free and inexpensive way of answering some questions that a lot of us have been worrying about."

I'm delighted that people such as these from many segments of the political spectrum are calling attention to the possibilities that choice may offer our schools, children, and families, and I'm even more delighted that in some places the goals of choice are being translated into action.

I'll just tick off the places and submit the rest for the record: Minnesota, South Dakota, Colorado, Washington, and California all with choice ideas, the Board of Education in New York City to which I'll refer later, and school districts generally throughout the Nation which have established thousands of schools of choice.

As you know, Mr. Chairman, the creation of magnet schools across the country is one of the most exciting and promising developments in American education. These schools are significant not only because they give parents and students the ability to select the school that best meets their needs, but also because they stimulate competition among schools, leading to improvements in the quality of education offered in many communities.

I would like to note in its fiscal year 1987 budget proposal, this Department for the first time is calling for funding for magnet schools. This departure from previous policy in an environment of fiscal restraint demonstrates clearly, I think, this administration's firm commitment to educational choice.

As you can see, we are moving toward greater educational choice in America today. It is not a revolutionary notion or eccentric idea any more, but rather part of the Nation's philosophical mainstream. But, choice is not available as a practical matter to many students and families, and our proposal will bring new choices to those who have the least choice now, the parents of disadvantaged children. TEACH, our bill, will improve chapter 1 by permitting parents of educationally disadvantaged children to choose the best available schools for their children. This administration has proposed this legislation, because we believe that our less wealthy and our less privileged citizens have the same hopes for their children that other parents have.

We believe that chapter 1 parents have as much interest as anyone else in seeing that their own children get the education they need. We believe that it is not enough to allocate large sums of money in their behalf. They need the opportunity to choose the right programs for their children. By providing choice for millions of parents of educationally disadvantaged children, this legislation would accomplish several important goals.

First, and above all, it would increase educational opportunity for those disadvantaged children. More affluent families can already give their children greater opportunities. They can choose their schools by buying a home in the neighborhood of their choice or by sending their children to a private school. Many of the poor don't have that kind of choice, yet it is their children for whom education matters the most. It is their children for whom education may represent the best opportunity for success in later life.

By converting money now given to school systems into vouchers for parents of the educationally disadvantaged, we, in effect, will be giving those parents a ticket to find the best possible schools for their children, the best possible opportunities. Similar programs inviting choice, such as the GI bill and Pell grants, have improved opportunities for millions of young Americans. This legislation, we believe, can do the same.

That, I think, is why economist Thomas Sowell has called this bill "the most promising piece of social legislation in this decade."

I might point out some findings about the academic benefits choice brings to the disadvantaged. New York City's School District No. 4 is one example. It's an inner city district located in what is known as Spanish Harlem. It has adopted limited open enrollment for grade schools and, in effect, for junior high schools. In its 12 years of experience with choice, this district increased reading scores 16 percent and math scores 17 percent. These gains moved Spanish Harlem from the bottom of New York City's districts, 32 out of 33 previously, to 18th in reading and 22d in math.

Comparisons of public and private high schools also show that the exercise of parental choice improves academic performance for all groups of children. Indeed, favorable effects are more pronounced for black, Hispanic, and poor children, the groups that tend to cluster, as you know, in chapter 1 programs.

The second goal of this legislation is to encourage parental involvement. Providing for parental choice will foster greater parental involvement, and educational research and common sense tells us that the more parents are involved in their children's education, the better that education is likely to be.

Polls show that support for educational choice is particularly strong among low income, minority, and large city residents. Blacks, for example, favor the idea of vouchers by 2 to 1. Why? Because these parents know how much is riding on their children's education, and they want to be involved as much as they can. They very much want the chance to choose good schools. If they were given the choice, their involvement could mean more for their children than any bureaucratic program could.

If anyone has any doubts about how much parents care about the chance to choose a good school, I suggest you drive by a popular magnet school a day or two before registration begins. In many places, lines at magnet schools are beginning to rival lines at rock concerts. The difference is that the people in line are parents. Go by and see them. They'll be there with tents and sleeping bags, picnic baskets and portable heaters. Those that can afford it take time off from their jobs to get a place in line or hire babysitters to stay with the children while they sleep overnight in line at the school. If you've seen a line like that, you know how badly parents want choice.

The third goal of this legislation is to foster competition. We believe that this reform will give thousands of schools even more incentive to give the educationally disadvantaged the best possible service. Once educators realize that families have the means to look for responsive schools, they will work even harder to make their schools better. This proposal will encourage competition among all schools, among public schools, private schools, and between public and private schools. Healthy, fair competition will benefit all our schools and all our children.

Now to some myths and misunderstandings. As I said a few minutes ago, I've been heartened by the response this proposal has received. Many people, legislators, educators, and parents are obviously willing to consider it on its merits.

At the same time, I've been disappointed that some have been content to reject this idea out of hand without consideration of its merits. Some assertions have been made that have no basis in reality. We have heard some statements that are clearly designed to scare people away from this idea and to foreclose discussion.

In other cases, I think some people have simply misunderstood what this proposal is all about. Your staff's recent analysis of this bill, Mr. Chairman, is, as you know, highly critical of this proposal, and although it includes some good questions that I look forward to talking about, it also contains some of these misunderstandings.

Let me take a moment to answer some of these myths and misunderstandings in hopes that we can get on with serious and responsible discussion.

First of all, some critics claim that this proposal creates no real opportunities. Your staff's analysis, Mr. Chairman, alleges that poor parents would not really have the choice of schools that voucher advocates claim. Critics assert that a voucher worth $608, our estimated national average, isn't going to be enough to help anybody get a better education.

These critics often quote $7,000 and $8,000 tuition rates for private schools as if most of the private schools in this country were elite boarding schools. They are not.

Consider this. The overwhelming majority of children receiving chapter 1 services are in elementary school. The median tuition for a private elementary school is $773, in 1985 figures. Roughly the same as the average value or a little more than the average value of a voucher. Obviously then, these vouchers can make the difference for many parents.

The proposal would also put more public schools in reach for many parents. It would allow them to take advantage of choices among public schools currently offered by their own districts or even to enroll their children in public schools outside their districts. It is true that in many places the tuition for attending a public school outside one's own district would exceed the value of a voucher, but we should not assume a static universe. We believe vouchers will foster competition, and competition will bring prices and barriers down. Furthermore, many public schools could provide after-school chapter 1 services for the cost of a voucher.

Remarkably, some of the same critics who assert that these vouchers would not be enough to make a difference, that these are phantoms, that this is smoke, also claim that the competition created by vouchers would destroy the public schools.

Leaving aside the obvious contradiction between these two predictions—you cannot have it both ways—let me point out that when they are given a choice, most parents still choose public schools. In places where choice mechanisms have been put into operation, there has been no exodus from the public schools.

Furthermore, experience has shown that programs that offer parents more choices among public schools tend to increase the popularity of public schools. In Cambridge, MA, for example, 2 years after implementing a choice program, permitting families to select among public schools, the proportion of children attending public schools rose from 74 to 82 percent.

As Thomas Sowell has written,

> Parental choice has not destroyed the public schools in high income neighborhoods and has, in fact, forced them to do a better job in order to meet the competition of private schools. That is the basic reason for extending the same choice to low income parents. School administrators have the same instinct for survival as anyone else. Public schools will not be destroyed but improved.

Let me say that I, for one, have confidence in the ability of our public schools to compete and to compete effectively. Some critics say the Chapter 1 Program is working fine, and that we will only disrupt things with a voucher proposal. In other words, if it's not broken, don't try to fix it.

I certainly agree, Mr. Chairman, that the Chapter 1 Program has, in many places, made significant contributions to the education of disadvantaged children. Many children are in good programs, getting the help they need. Every year we give awards to exemplary programs in chapter 1, but there's no reason to think that giving parents a choice would disrupt Chapter 1 Programs that work well. Obviously, a parent with a child in a good program is going to leave that child there. Nothing would change for those parents or children. Good programs are always going to attract parents. We've learned that in education over and over again. The parents who choose to use the vouchers will be the ones who are dissatisfied with the services they're getting, for while there are exemplary Chapter 1 Programs, there are some that are not so.

Another myth about this proposal is that it would siphon good students away from the public schools. One prominent member of the education establishment, for example, wrote that vouchers for chapter 1 services would take some of the best and brightest children out of public school, but this charge ignores the obvious fact that the children eligible for these vouchers are, by definition, those who are educationally disadvantaged. They are not, unfortunately, our best students. They are testing below the average. They need help the most. That's why they're eligible. They should be the focus of our concern, and we think this proposal helps them get it.

Some critics of the legislation assert that many chapter 1 parents will not be able to make wise decisions for their children. I could not disagree more strongly. The notion that poor and minority parents are, in general, incapable of making effective choices for their children is patently false. The parents of Pell grant youngsters do as well as any other parents in helping their children find the best available colleges. No one suggests that such parents are incapable of making informed decisions on election day. There's certainly no reason to think that they can't make informed decisions in the interest of their children's education.

Finally, some critics contend that using a voucher at a religiously affiliated school would violate the principle of separation between church and state. Your staff's analysis of this bill, Mr. Chairman, warns of serious constitutional problems. But, we should remember that Congress currently requires that chapter 1 services be provided on an equitable basis to educationally disadvantaged children attending private schools, including those children enrolled in religiously affiliated schools. We should remember that our proposal gives aid to parents, not schools.

This argument is similar to the one upheld by the Supreme Court in *Mueller* v. *Allen,* where Minnesota allowed parents a tax deduction to help cover private or public school education. Our Office of General Counsel, the Department of Justice, and the legal staff of the Congressional Research Service have independently concluded that this bill is constitutional. These, then, are some of the misconceptions I have read and heard. I trust that a serious debate on the bill's merits will give us the chance to leave such misunderstandings behind, and to get on with the kind of consideration a thoughtful idea deserves. Again, Mr. Chairman, I very much appreciate the opportunity that your subcommittee is extending for a full and fair discussion of the proposal. I will be happy to answer any questions you might have. Thank you very much.

Chairman HAWKINS. Thank you, Mr. Secretary.

[The prepared statement of Secretary William J. Bennett follows:]

TESTIMONY OF
WILLIAM J. BENNETT
SECRETARY OF EDUCATION
U.S. DEPARTMENT OF EDUCATION

BEFORE THE SUBCOMMITTEE
ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION,
HOUSE EDUCATION AND LABOR COMMITTEE
February 26, 1986

Mr. Chairman and members of the Subcommittee, I am pleased to be here today to testify on behalf of a proposal that, I believe, can be a great step forward for American education reform. The Equity And Choice Act, also known as the TEACH bill, would allow parents of certain educationally disadvantaged children to obtain vouchers under Chapter 1 of the Education Consolidation and Improvement Act of 1981.

As some of you may know, soon after becoming Secretary of Education I outlined three ideas that seemed to me to be central to serious education reform. I call these ideas the Three C's -- Content, Character, and Choice. That Choice is one of these three guideposts reflects the significance which we at the Department of Education attach to this bill.

I want to say at the outset that I appreciate your Subcommittee's effort today to give this proposal a full and fair hearing. The education reform movement has prospered from responsible and serious debate about thoughtful ideas. I know, Mr. Chairman, that you have expressed to your own constituents your intention to give this idea a full and fair discussion and to analyze it on its merits. We welcome such a discussion; we welcome such an analysis. And we believe the American people are willing and ready for serious discussions about the merits of this proposal.

THE GROWING INTEREST IN EDUCATIONAL CHOICE

As discussion of education reform continues, it is becoming clear that parental choice in education is an idea whose time has come. Parental choice is gaining ever more widespread acceptance -- whether in the form of vouchers, open enrollment public school policies, alternative or magnet schools, tuition tax credits, or second-chance programs. American parents clearly want choices when it comes to their children's education. And more and more, thoughtful people are giving serious consideration to the possibilities of different kinds of choice. For example:

> Robert Woodson, President of the National Center for Neighborhood Enterprise, has written: "Increased competition among schools, whether private, parochial, or public, would increase efficiency, stimulate educators and provide more responsive programs, involve parents more directly and with any luck force bad schools to improve."
>
> Albert Shanker, President of the American Federation of Teachers, who has criticized this proposal, nonetheless says: "I believe that we in the teacher union movement ought to support the greatest possible choice among public schools

by parents, students and teachers.... Attendance is much higher and dropout rates are much lower in those public schools...that students themselves have chosen to go to."

Governor Lamar Alexander of Tennessee, who is encouraging interdistrict transfers in his state to expand public school choices, has declared choice essential to his long-range program for improving schools: "By the 1990's," he has said, "we should try to let all parents choose the public school their child attends.... Letting parents choose schools will get parents more involved in their own child's education. And the more parents do, the more a good teacher can do."

And columnist William Raspberry, thoughtfully weighing the issues posed by choice in general and by this bill in particular, has written that this proposal "might provide a relatively risk-free and inexpensive way of answering some questions that a lot of us have been worrying about."

I am delighted that people such as these, from many segments of the political spectrum, are calling attention to the possibilities that choice may offer our schools, children, and families. And I am even more delighted that in some places the goals of choice are being translated into action. For example:

With bipartisan support and strong leadership from Governor Rudy Perpich, Minnesota is pioneering a program of choice permitting public high school juniors and seniors to attend public or private postsecondary institutions, with the state paying tuition. Governor Perpich predicts choice will produce "exciting innovations." "Research shows," he says, "that when families are permitted to select the public school of their choice, parents become more satisfied with the educational system, student attitude improves, teacher morale goes up and community support for public schools increases."

South Dakota has instituted a program of choice among small rural high schools.

Colorado has instituted a second-chance program for drop-outs, providing these students new choices for their education just when they seemed ready to quit.

The states of California and Washington pay tuition at public and private education clinics for dropouts.

The Board of Education of New York City has announced that, as part of its long-range plan to improve education, all its high schools will be schools of choice by the year 2000.

School districts throughout the nation have established thousands of schools of choice -- at least two thousand high schools alone.

The creation of magnet schools across the nation is one of the most exciting and promising recent developments in American education. These schools are significant not only because they give parents and students the ability to select the school that best meets their needs, but also because they stimulate competition among schools, leading to improvements in the quality of education offered in many communities. I would like to note that in its FY 1987 budget proposal, the Department for the first time is calling for funding for magnet schools. This departure from previous policy in an environment of fiscal restraint demonstrates this Administration's firm commitment to educational choice. As you can see, we are moving toward greater educational choice in America today. It is not a revolutionary notion or eccentric idea, but rather part of the nation's philosophical mainstream. But choice is not available, as a practical matter, to many students and families. Our proposal will bring new chances to those who have the least choice now -- to the parents of disadvantaged children.

TEACH

TEACH will improve Chapter 1 of the Education Consolidation and Improvement Act by permitting parents of educationally disadvantaged children to choose the best available schools for their children. The Administration has proposed this legislation because we believe that our less wealthy and less privileged citizens have the same hopes for their children that other parents have. We believe that Chapter 1 parents have as much interest as anyone else in seeing that their own children get the education they need. We believe that it is not enough to allocate large sums of money in their behalf. They need the opportunity to choose the right programs for their children.

By providing choice for millions of parents of educationally disadvantaged children, this legislation would accomplish several important goals.

First, and above all, it would increase educational opportunity for those disadvantaged children. More affluent families can already give their children greater opportunities. They can choose their schools by buying a home in the neighborhood of their choice, or by sending their children to a private school. The poor don't have that kind of choice. Yet it is their children for whom education may represent the best opportunity for success in later life.

By converting money now given to school systems into vouchers for parents of the educationally disadvantaged, we in effect will be giving those parents a ticket to find the best possible schools for their children, the best possible opportunities. Similar programs embodying choice, such as the GI Bill and Pell Grants, have improved opportunities for millions of young Americans. This legislation can do the same. That, I think, is why economist Thomas Sowell has called this bill "the most promising piece of social legislation in this decade."

I might point out some findings about the academic benefits choice brings to the disadvantaged. New York City's School District Number Four is one example. It's an inner-city district, located in what is known as "Spanish Harlem." It has adopted limited open enrollment for grade schools, and, in effect, a voucher for junior high schools. In its 12 years of experience with choice, the district increased reading scores 16 percent and math scores 17 percent. These gains moved Spanish Harlem from the bottom of New York City's districts (32nd out of 33 on both tests) to 18th in reading and 22nd in math.

Comparisons of public and private high schools also show that exercise of parental choice improves academic performance for all groups of children. Indeed, favorable effects are more pronounced for black, Hispanic, and poor children -- the groups that tend to cluster in Chapter 1 programs.

The second goal of this legislation is to encourage parental involvement in education. Providing for parental choice will foster greater parental involvement -- and educational research and common sense tell us that the more parents are involved in their children's education, the better that education is likely to be.

Polls show that support for educational choice is particularly strong among low-income, minority, and large city residents. Blacks, for example, favor the idea of vouchers by two to one. Why? Because these parents know how much is riding on their children's education, and they want to be as involved as they can. They very much want the chance to choose good schools. If they were given that choice, their involvement could mean more for their children than any bureaucratic program could.

If anyone has any doubts about how much parents care about the chance to choose a good school, I suggest he drive by a popular magnet school a day or two before registration begins. In many places, lines at magnet schools are beginning to rival lines at rock concerts. The difference is that the people in line are parents. Go by and see them -- they'll be there with tents and sleeping bags, picnic baskets and portable heaters. Those who can afford it take time off from their jobs to get a place in line, or hire baby sitters to stay with the children while they sleep overnight in line at the school. If you've seen a line like that, you know how badly parents want choice.

The third goal of this legislation is to foster competition. We believe that this reform will give thousands of schools even more incentive to give the educationally disadvantaged the best possible service. Once educators realize that families have the means to look for responsive schools, they will work even harder to make their schools better. This proposal will encourage competition among all schools -- among public schools, private schools, and between public and private schools. Healthy, fair competition will benefit all our schools and all our children.

MYTHS AND MISUNDERSTANDINGS

As I said a few minutes ago, I've been heartened by the response this proposal has received. Many people -- legislators, educators, and parents -- are obviously willing to consider it on its merits.

At the same time, however, I have been disappointed that some have been content to reject this idea without consideration of its merits. Some assertions have been made that have no basis in reality. We've heard some statements that are clearly designed to scare people away from this idea and foreclose discussion.

In other cases, I think some people have simply misunderstood what this proposal is all about. Your staff's recent analysis of this bill, Mr. Chairman, is, as you know, highly critical of this proposal; and although it includes some good questions that I look forward to talking about, it also contains some of these misunderstandings.

I'd like to take a moment now to answer some of the common myths and misunderstandings, in the hope that we can get on with serious and responsible discussion.

First of all, some critics claim that this proposal creates no real opportunities. Your staff's analysis, Mr. Chairman, alleges that "poor parents would not really have the choice of schools that voucher advocates claim." Critics assert that a voucher worth $608 -- our estimated national average -- isn't going to be enough to help anybody get a better education. These critics often quote seven and eight thousand dollar tuition rates for private schools, as if most of the private schools in the country were elite boarding schools. They are not.

Consider this: the overwhelming majority of children receiving Chapter 1 services are in elementary school. The median tuition for a private elementary school is $773 -- roughly the same as the average value of a voucher. Obviously, then, these vouchers can make the difference for many parents.

The proposal would also put more public schools within reach for many parents. It would allow them to take advantage of choices among public schools currently offered by their own districts, or even to enroll their children in public schools outside their districts. It is true that in many places the tuition for attending a public school outside one's own district would exceed the value of a voucher. But we should not assume a static universe. We believe vouchers would foster competition, and competition would bring prices and barriers down. Furthermore, many public schools could provide after-school Chapter 1 services for the cost of a voucher.

Remarkably, some of the same critics who assert that these vouchers would not be enough to make a difference also claim that the competition created by vouchers would "destroy" the public schools.

Leaving aside the obvious contradiction between these two predictions, let me point out that, when they are given a choice, most parents still choose public schools. In places where choice mechanisms have been put into operation, there has been no exodus from the public schools.

Furthermore, experience has shown that programs that offer parents more choices among public schools tend to increase the popularity of public schools. In Cambridge, Massachusetts, for example, two years after implementing a choice program permitting families to select among public schools, the proportion of children attending public schools rose from 74 percent to 82 percent.

As Thomas Sowell has written, "Parental choice has not destroyed the public schools in high-income neighborhoods, and has in fact forced them to do a better job, in order to meet the competition of private schools. That is the basic reason for extending the same choice to low-income parents.... School administrators have the same instinct for survival as anyone else. Public schools will not be destroyed but improved."

Let me say that I, for one, have confidence in the ability of our public schools to compete.

Some critics have said that the Chapter 1 program is working fine, and that we will only disrupt things with a voucher proposal. In other words, if it's not broken, don't try to fix it.

I certainly agree that the Chapter 1 program has, in many places, made significant contributions to the education of disadvantaged children. Many children are in good programs, getting the help they need. But there's no reason to think that giving parents a choice would disrupt Chapter 1 programs that are working well. Obviously, a parent with a child in a good program is going to leave that child there. Nothing would change for those parents or children. Good programs are always going to attract parents -- we've learned that in education over and over again. The parents who choose to use the vouchers would be the ones who are dissatisfied with the services they are getting. For while there are exemplary Chapter 1 programs, there are some that are not so.

Another myth about this proposal is that it would siphon good students away from the public schools. One prominent member of the education establishment, for example, wrote that vouchers for Chapter 1 services would take some of the "best and brightest children out of public school." But this charge ignores the obvious fact that the children eligible for these vouchers are, by definition, those who are educationally disadvantaged. They are not, unfortunately, our "best" students. They are testing below the average. They need help the most. They should be the focus of our concern. This proposal helps them get it.

Some critics of this legislation assert that many Chapter 1 parents will not be able to make wise decisions for their children. I could not disagree more strongly. The notion that poor and minority parents are in general incapable of making effective choices for their children is patently false. The parents of Pell Grant youngsters do as well as anyone else in helping their children find the best available schools. No one suggests that such parents are incapable of making informed decisions on election day. There is certainly no reason to think that they can't make informed decisions in the interest of their children's education.

Finally, some critics contend that using a voucher at a religiously affiliated school would violate the principle of separation between church and state. Your staff's analysis of this bill, Mr. Chairman, warns of "serious constitutional problems." But we should remember that Congress currently requires that Chapter 1 services be provided on an equitable basis to educationally disadvantaged children attending private schools, including those enrolled in religiously affiliated schools. And we should remember that our proposal gives aid to parents -- not schools. This arrangement is similar to the one upheld by the Supreme Court in Mueller v. Allen, where Minnesota allowed parents a tax deduction to help cover private or public school education. Our Office of General Counsel, the Department of Justice, and the legal staff of the Congressional Research Service have independently concluded that this bill is constitutional.

CONCLUSION

These, then, are some of the misconceptions I have read and heard. I trust that a serious debate on this bill's merits will give us the chance to leave such misunderstandings behind and to get on with the kind of consideration a thoughtful idea deserves. Again, I appreciate the opportunity this subcommittee is extending for a full and fair discussion of this proposal. I will be happy to answer any questions you might have.

Thank you.

Chairman HAWKINS. Mr. Secretary, let us first indicate that we're talking about the voucher proposal which is before this committee, not about various other choice proposals that are referred to. As regards your proposal, you base support primarily on competition being encouraged and the choice being provided.

Now, according to data recently released by the Department of Education in 1983, and I suppose that would be even stronger if it were updated, the average tuition for private elementary schools was $890, while the average for private secondary schools was $1990.

Now, in contrast, the average chapter 1 expenditure per child, the basic expenditure, we estimated to be $563, but let us use the amount that you indicated, $608. May I first ask whether or not that presents a meaningful choice to parents who would try to meet these, and we're using the average, to meet these extremely higher costs, particularly in those families that may have more than one child? Who's going to make up the difference in the family which today is struggling even to put food on the table? Is that parent likely then to have a choice when the parent has to put up the difference merely to get a schooling which would not in itself offer the extra services that disadvantaged children may need?

Secretary BENNETT. Mr. Chairman, first of all, I think the discrepancy in the figures is a matter of whether one uses an average or the median. But let's use either one, either the $890 or the $773 figure.

Chairman HAWKINS. Well, let's use some examples that may favor your view, some that may favor mine. I've only used an average.

Secretary BENNETT. I'll be happy to use the $890 amount. But I would note that the latest figure is the $773 median. And, I would also point out that for chapter 1 children enrolled in parochial schools, the average tuition is even lower.

But, let's take the argument straight up. If I am a parent who wants to enroll my child in a private school that charges $890—and I don't have any money—then I am worse off than if I am a parent who wants to enroll my child in a school that charges $890, and I have $650. I'm a long way to reaching $890.

As you know, Mr. Chairman, there is a school in your district. All Saints, a Catholic school that charges $55 a month tuition. Now you have mentioned additional children. Well, if you have a second child enrolled in All Saints, your cost is $65: not for the second child, but for both children. If you have three children, it's $75.

The point is that $650 or $608 or $680 may not meet the tuition at all of these schools, but it will meet it at a lot of them; $650 is $650 more than nothing, and it goes a long way.

Chairman HAWKINS. Well, something is more than nothing, it's obvious.

Secretary BENNETT. That $650 is a lot more than nothing when what you have to reach is $890.

Chairman HAWKINS. The All Saints you refer to would probably reject most of the students that we're talking about, because it's very selective. The choice would not be to the parent, whether the parent wanted to send the child to All Saints or any other parochial or private school. The choice would be with the school, and obviously schools are struggling. All schools are struggling, private as well as public, so there wouldn't be much choice on the part of the parents if the school did not accept that child. I doubt if All Saints would accept, for example, handicapped children, because it doesn't have the facilities. What would happen in the case of handicapped children around the country in private schools that do not have the facilities? Would they find it economical under competition, as you say, to institute all of the services to provide for a handicapped child or, let's say, a bilingual child or a child that gives a lot of trouble in the public schools? You're saying that the private schools are going to accept the same child and provide equal education, give to the same child the extra services, as I indicated. The concept of chapter 1 is that the disadvantaged child will be given something extra, something in addition to what is given to the ordinary child. That includes special teachers, special instruction, special facilities of various kinds.

Are you saying that in competition the private schools are going to be willing to do this?

Secretary **Bennett**. Sure, many of them are. Of course, they are. But note that the parent can make the decision. And if the parent doesn't think the school is going to provide good educational services, the parent won't send the child to that school. Let me comment on a couple of the aspects you mentioned. In the data I saw on All Saints School and it is in your district so you know better than I, but I understand that a very high percentage of those students are Hispanic students. Clearly, that particular school hasn't found it against its interest or against its educational mission to educate disadvantaged children.

In terms of the handicapped, as you know, a number of private schools do make efforts to educate the handicapped. This bill, if anything, will encourage more of those schools to do more in this area, because if children come to that school with their voucher, they will bring more resources. And that could enable those schools to do more.

I don't know if the committee knows this, but if we look at the chapter 1 children who are enrolled in private schools, the schools we're talking about are parochial schools and are often in the inner city. They account for something like 90 percent of chapter 1 children in private schools. To suggest that parochial schools—Catholic schools for the most part—do not have an interest in educating poor children or handicapped children is, I think, to fail to recognize the educational mission of the Church, as the Church defines it, and it is to disregard the reports that have been coming out from the Catholic education community stressing that they want to do more in this direction.

Why haven't they done more? Because it is expensive and these are poor schools, many of them barely getting by. But I think with the increased resources that might be brought with the voucher, we'll see more of an inclination to help these children.

The children we're talking about certainly wouldn't be worse off under the proposal. The plan opens up the possibility of other schools joining in, and I think they have every reason in the world to join in. We are adding an economic advantage for those schools, in addition to facilitating the accomplishment of what many see as part of their educational mission. For instance, one thing that has been stressed in the Catholic education reports that we've seen, is a committment to increase the number of handicapped students in those schools.

Chairman HAWKINS. Well, if all these good benefits are going to flow and all these schools are going to accept these children and are going to be improved, why don't you make it compulsory that they accept a child, rather than leave it up to them. In other words, why not write into the act a mandate that they do what the public schools do, that they cannot turn away a child because a child happens to be handicapped or happens to be bilingual or happens to be disadvantaged? Why not just write in the fine principle you have expressed which I agree with? Why not write that into the proposal so that we will indeed end up with what you say?

Secretary BENNETT. Well, as you know, the language that we use in this bill is taken word for word from the language of the 1983 Senate Finance Committee mark-up on the Tuition Tax Credit Bill, language proposed by Senator Moynihan and Senator Bradley and others in regard to elementary and secondary schools.

We're certainly happy to work with you and talk with you if you're concerned about protections for these students and other questions, but it's been the will and the intent of Congress for some time to recognize that private schools should have some independence in selection. We have to balance our interest in encouraging more children to go to such schools with recognition that to trigger a whole set of recordkeeping requirements and regulations for these schools would be to overburden them, even to put some of them out of business, and thus to vitiate their educational function.

But, again, Mr. Chairman: If the aim is to encourage more private schools to take more educationally disadvantaged children, to take more handicapped children, this voucher proposal will certainly do it.

Chairman HAWKINS. Do I understand you're willing to write into the voucher proposal the same rules and regulations and mandates that are now included in chapter 1?

Secretary BENNETT. Again, we'll certainly work with the committee, but I wouldn't say right——

Chairman HAWKINS. If you work with the committee, that's what you're going to be prepared to do.

Secretary BENNETT. I'm not prepared to defy what's clearly been the will of the Congress in marking out for private, secondary and elementary schools certain exceptions that it has felt are appropriate for such schools. But we'll be happy to talk with you.

Chairman HAWKINS. Well, I want you to do a little bit more than talk to me. I'm trying to get your rationale, since you say that——

Secretary BENNETT. What one has to consider, Mr. Chairman, is that if you impose upon these schools all of the requirements that are currently imposed on other schools, you may put them out of business. You may make it much harder for them to accept the very students, they're trying to help and we're trying to help.

Chairman HAWKINS. That's unfair competition. You're saying that we will put them out of business if we require them to do what the public schools do, and yet you're calling out for choice and competition. Why not put them on the same basis so that the competition will be fair?

You're saying that we have to make concessions to them to get them to do what is right. Well, we don't do that in the public schools. We say, look, you accept a child that comes to the public school, and we don't give to that public school any choice. We don't say we have to give you more money if you have handicapped children or you have bilingual children or you have children that offer problems. We just unload on them those problems. So if you're talking about competition, which I understand is what you mentioned, then it seems to me that this is what you would insist upon. If you are interested in poor children, as you say in your prepared statement, may I ask you then, what about the more than 60 percent of parents who can't even take advantage of chapter 1, because there are insufficient funds to serve all eligible children. These parents would not get any vouchers whatsoever.

Are you willing to give to those parents who do not now have the advantage of chapter 1 because you and others have supported reductions in the amount of money for public education? Are you willing to give to those parents a choice as well?

Mr. BAUER. Mr. Chairman, if I may interject, I think in some respects we're talking about a strawman, because the insinuation of your question is that private schools, particularly inner city private schools, do not now serve the populations that we're talking about, and the facts are the exact opposite.

You know, I think, that the Catholic schools——

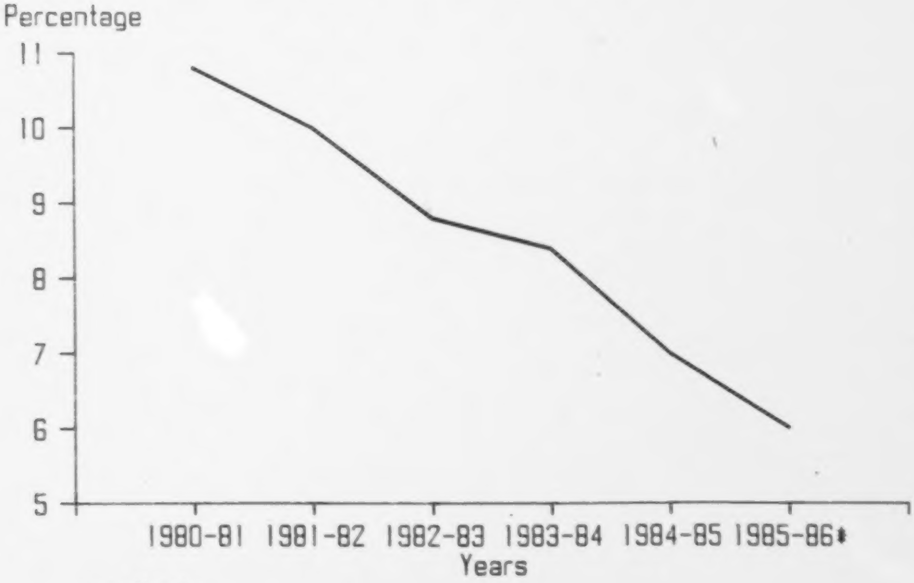
Chairman HAWKINS. That's not the question. I don't mind you discussing that, but let's have the answer to the first one first, which is, that less than 40 percent, and we may argue over the percentage, but let's say certainly a majority of parents today don't have any choice, because they don't even get chapter 1. Now, if you're so interested in giving choice to parents and taking care of the poor children, as you often refer to them, who now are being deprived of something, are you willing to give vouchers to those parents who now do not participate in chapter 1?

Mr. BAUER. Mr. Chairman, we prepared for a number of questions when we came up today, and I must admit that one of them was not the possibility that the chairman of the committee would be arguing for more comprehensive vouchers than the ones we've proposed.

Chairman HAWKINS. I'm not. I'm simply asking you what would you do under the facts that I outlined, because you're the one who wept in this statement about the poor children, and said that the parents needed some choice, to get these children into these schools that you say are so good and that are willing to accept them. I hope that's true, and I'm not denying that may be true. But, if they don't bring vouchers, those schools are not going to be financially able to serve them, whether or not they're willing to do it. They're not going to be able to accept handicapped children or disadvantaged and the other special groups that are now served under chapter 1. I'm asking whether you are willing to give the parents of children who are not being served by chapter 1 a choice, or are you willing to at least through incremental means to begin to reverse that? If you see this middle chart over here, the Federal share of education funding, you will see that it's steeper than the steepest ski slope that I have ever seen. That is what has happened in the last 5 years. It will soon be below the line and down to zero if we continue the present trend.

[The chart referred to follows:]

Federal Share of Education Funding



* estimate
Source: U.S. Department of Education

Secretary BENNETT. No, I don't think so. I've designed some charts myself, Mr. Chairman.

Chairman HAWKINS. You didn't design this unfortunately.

Secretary BENNETT. No, but I've seen it.

Chairman HAWKINS. It illustrates the declining Federal share of education funding.

Secretary BENNETT. This really isn't on the point, is it, Mr. Chairman?

Chairman HAWKINS. Well, it is the point.

Secretary BENNETT. It really isn't. The question of how many children we are serving, and how much we appropriate is one question. The other question is how can we make the best education available with what we've got, and what sort of means do we use within the current program?

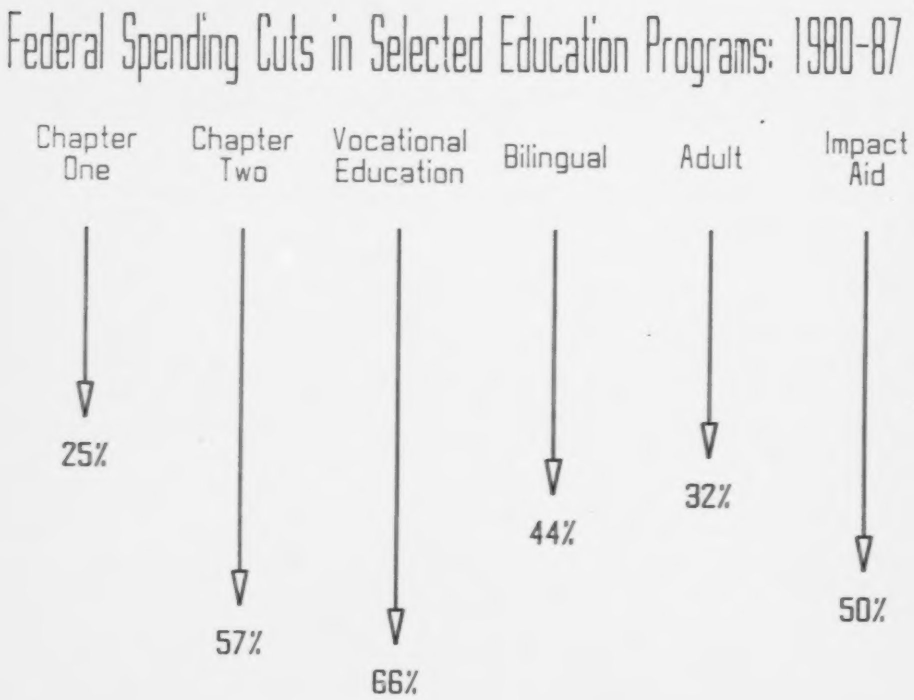
Chairman HAWKINS. To the largest number of individuals.

Secretary BENNETT. We'll be happy to talk about that.

Chairman HAWKINS. If chapter 1 is good for those that it now serves, and those parents will get vouchers which will make it, according to you, even better, I'm asking you, would you be willing to expand the amount of funding which is available to the rest of the children who need, in your expression, the vouchers to go to these good schools? It would seem to me it's illogical for you to be pleading for these children and not be willing to expand the amount of money that is available, and being responsible for that steep decline.

I haven't heard you before this committee advocating support for chapter 1 or any of the other programs, if you'll shift over to the chart at the left.

[The chart referred to follows:]



*Includes enacted appropriations for fiscal years 1980-1986 and Administration's budget proposals (not enacted levels) for fiscal year 1987

Those are all the other programs in the department, not a single one has gained in constant dollars. Not a single one is any exception. It's been the same thing through with bilingual education, with vocational education, with adult education, with all of the other programs, not a single one. So it's consistent. I'm only asking you that if you feel the way you do that the vouchers are very useful, why don't you make more of them available to the rest of the target population?

Secretary **Bennett**. As you know, Mr. Chairman, when we get into the business of appropriations and budgets, we have to take other factors into account—small items such as a $210 billion deficit and other factors—that require us to be careful in regard to spending levels.

But, as you know, in our 1987 budget under the requirements of the Gramm Rudman-Hollings Deficit Reduction Act, we have kept chapter 1 at $3.7 billion. This will continue to serve a large number. But, again, we'll be happy to talk to you about that issue, but for now could we get back to the merits of vouchers themselves?

Chairman HAWKINS. Mr. Secretary, in October of this year, as chairman of the Education and Labor Committee, the full committee, I'm under a mandate through Gramm-Rudman to reduce, to cut chapter 1 and the other programs by approximately 25 or 30 percent. That's going to be devastating. Do you agree, and would you join with us in resisting that serious cut in these programs that I think we basically agree are good programs, effective?

Secretary BENNETT. You've seen our proposal, Mr. Chairman, and it is substantial.

Chairman HAWKINS. Would you join with us in opposing that steep cut?

Secretary BENNETT. Yes, sure.

Chairman HAWKINS. It certainly would help the chairman of this committee out.

Secretary BENNETT. I'm not sure I understand. If we are talking about joining with you and opposing serious cuts in chapter 1, we're obviously with you. You've seen our 1987 budget, which proposes no such cuts. Chapter 1 is a good program.

Chairman HAWKINS. We'll certainly take advantage of that position then, a long time before October possibly.

Secretary BENNETT. OK. I'm glad we agree on that one, Mr. Chairman.

Chairman HAWKINS. Mr. Goodling?

Mr. GOODLING. Thank you, Mr. Chairman. Mr. Secretary, as I'm sure you know, there isn't much discussion on the Hill these days other than one figure, $144 million. So, I will have to be the first to admit that I haven't studied your proposal as closely as I should have and don't usually until I'm sure that the chairman is thinking about moving some kind of proposal. The $144 million now is consuming my time. We go into budget committee meetings at 8 in the morning and stay there most of the day.

I have three or four concerns in relationship to your proposal, as I have studied it to this point. I suppose my first is a concern that I think the chairman was expressing, and that deals with just what does happen to chapter 1. For instance, if you're talking about a school who may have 75 percent chapter 1 youngsters, what decisions and what planning do they make when they may find out that on September 1 a large portion of those students have gone some other place? If there is only a small percentage left, how do they take care of that small percentage, because a great deal of their money would have gone on with those students?

So I do have that as my first concern. I think chapter 1 has been very effective. I'm sure it was not the design to use chapter 1 realizing that this as merely an effort to get to some other place eventually. If you crack open the door, you can get someplace else, but I'm not quite sure that perhaps it's the right way to design a voucher program. I think the chairman makes a good point. We do serve a small percentage of chapter 1 people. How a youngster gets into a chapter 1 program is a somewhat arbitrary decision. Here are *x* number of dollars. I have 900 chapter 1 youngsters. I can only take 200, and so I arbitrarily set up something to determine which of the 200 go in there. So I think he's making a good point.

I think he also makes a good point when he talks about what responsibilities do those private and parochial schools have in relationship to a chapter 1 education. As I understand your program, you don't bind them in any way, shape or form to use that money for chapter 1 experiences. They can use that money however they see fit. I guess we got into chapter 1 in the first place because we discovered that people didn't use the money as well as they should have for those who didn't have equal opportunities.

My second concern, that I have with the proposal as I now understand it, is I'm not sure we aren't teasing the poor as they've been referred to. I don't think it matters much whether you're using an $800 figure or a $1,000 figure. In California, it might be $250. It seems to me you're really teasing people even if they're thinking about trying to go to an $800 school or a $1,000 school. You can say it's a better chance than not at all. Well, it's a better chance, but if somebody doesn't come up with the additional money, it's really no chance at all, and I don't want to be involved in something that cannot deliver. I question whether it could.

I think we mix apples and oranges when we say that public school enrollment has increased where they are trying choice. I am assuming that what we are looking at when we say that is that there are a lot of people who could afford to send their youngsters to private schools. Now that they have their choice to go to whatever public school they want to, they now have pulled their children out of that private school and sent them to a public school. But, they could only go to that private school originally because they had that money.

I don't know that you're telling me that these are poor youngsters who now, because of this choice, have helped to increase the enrollment in public schools. I have a feeling that it would be the opposite, that it would be youngsters who could afford to go to their choice of private or parochial schools, now going to their choice of a public school.

So that becomes a question that I have. You know, I had to laugh. In material prepared for me there is one article that said, "The Gallup Poll has consistently shown that more Americans support parental choice in education than support higher taxes for education." I think that's like me saying, Mr. Secretary, before dinner, would you like to have Scotch or would you like to have cyanide. I don't believe there's any difference. That's a great question the Gallup Poll used.

I don't have many letters that say please raise my taxes. I would like also, Mr. Secretary, to have you comment a little more on what the chairman was driving at when he was talking about why shouldn't the rules and regulations be exactly the same if you're talking about fair competition.

I was in this business a long time, and whenever my secretary would say, Mr. Goodling, Father Birster is on the telephone, he wants to talk to you, I'd say what student am I getting now. Father Birster, with tongue in cheek, would always laugh at the end and say, "Bill, I have this wonderful young lady that wants to come back to your school. She just thinks she'd like to be back in the community." Even funnier, with tongue in both cheeks, he'd say, "Bill, I have this outstanding athlete that wants to come back to your school." Now, York Catholic is very proud, and rightfully so, of their athletic programs, and I guarantee you, Bill isn't going to get a good athelete back to West York High School unless there is a problem.

So I do have a concern that, No. 1, they should have to take everyone who makes that choice. No. 2, they should have to keep, just as a public school must everyone that has chosen to come to their school. No. 3, they have to do as the public school has to do, the best they possibly can to deal with those youngsters.

I also have some questions in relationship to definition of school. You know, that's something that's being kicked around at the present time, and I'm not sure what constitutes a school presently. I think it's something that you're going to have to deal with. The IRS is dealing with it, as well as many others, but I think the definition of a school is going to play a major role when you try to do something of this nature.

Let's see whether I've covered everything. The third problem I guess I have then, is a management problem. When you are planning a school system you've to plan on numbers and you are electing professional and nonprofessional people in order to support those particular numbers. I hope we've thought through very carefully the management problem that large school systems, particularly with large numbers of chapter 1 students, could run into with TEACH. If the program is as good as you say it is and if as many young people could go off to the school of their choice then we will be seeing a large number of students moving between schools each year.

Those are three of the major areas that I have concern, and you may want to respond to those.

Secretary **Bennett**. Sure, thank you, Congressman. I counted five, but OK—let me try. I'll ask my general counsel to comment on the rules and regulations. But let me point out that within the public school system, we have an increasing number of schools that do have various admissions criteria, various emphasis—schools for the arts, schools for math and science and the like—that say: we will take any student in this district who qualifies, but not just any student in the district. We want to keep in our school an emphasis on this kind of program or that.

Mr. **Goodling**. May I interrupt just a minute, Mr. Secretary?

Secretary **Bennett**. Sure.

Mr. **Goodling**. However, that public school system that you're talking about cannot deny an education to that youngster.

Secretary **Bennett**. That's right.

Mr. **Goodling**. And must take that youngster, or they will be in court and in real trouble.

Secretary **Bennett**. You're right. The child has to be somewhere; there's no doubt about that. But there is no requirement that school systems place the child in a school which has set itself up in a distinctive way.

I might also mention the Coleman study, which indicates the record of inner city parochial schools in keeping disruptive students in school. The study shows that the notion that public schools do not remove people from school is simply false. They do. They do remove people from school.

Mr. GOODLING. May I also interrupt by saying that they cannot turn them down, even in a magnet school in relationship to sex or handicap. The way your legislation is written, if I understand it, a school could do that.

Now I know you devote nine pages, I think, to try to make sure that for racial reasons they couldn't discriminate, but I don't believe sex and handicap discrimination are covered.

Secretary BENNETT. I'm going to ask my general counsel to comment on this, because we have spent a lot of time on this, and have been very mindful of the Congress wishes on the issue of discrimination.

Mr. WILLKIE. On the question of the handicapped, our proposal does not materially change the current state of the law, because so far as the handicapped provisions of the civil rights law apply to private schools, at present, they are not required to take handicapped children unless they can do so with minor adjustments. So if that state of the law were to be changed, that should be contemplated within the context of the civil eights statutes, rather than in a voucher proposal.

I'm speaking here of section 504.

Mr. GOODLING. I didn't quite follow what you said. Are you telling me—are you talking about private schools, or are you telling me a public school doesn't have to take a handicapped?

Mr. WILLKIE. I'm talking about private schools that currently receive——

Mr. GOODLING. They'll take them on a litter in a public school.

Mr. WILLKIE. They currently receive some Federal benefit, whether it be through chapter 2 or some other program, and those schools are not currently required to take handicapped students, unless they can do so without major changes in the facilities they have to offer.

Mr. GOODLING. That's part of what the chairman was saying in relationship to fair competition. If you have to use your tax dollars to make all sorts of modifications to a public school, you're using it there, not putting it into books and personnel, et cetera, et cetera.

I think what you're bringing up responds to part of what the chairman was saying in relationship to unfair competition.

Mr. WILLKIE. I do think we should keep in mind that the overwhelming majority of the children in the chapter 1 program are not handicapped. They are educationally disadvantaged, and schools which are willing to accept those students, we feel, should not be precluded from doing so, simply because they don't have the facilities to serve the handicapped population.

As you know, the Department has a number of other programs that provide services to handicapped children. Chapter 1 is designed to help the educationally disadvantaged.

Mr. GOODLING. The only point I'm trying to make is that as I tell the Secretary of Labor all the time, yes, I believe in free trade, but each country has to play it by the same rules and regulations. All I'm saying here is, yes, I believe in competition, but I think it should be fair competition.

Mr. WILLKIE. Well, I don't think that private schools that are willing to take the children who are currently eligible for benefits under the chapter 1 program are getting some sort of free ride. Obviously, they're taking those children who have had the most difficulty under current programs. These are the ones who have not fared well under current educational programs. We're not talking about skimming cream here.

Mr. GOODLING. Mr. Secretary, let me give you a sixth while I think of it, before you go on, one that I was thinking of before and forgot to mention to you. In the transportation of these youngsters, now I know as I understand your proposal, the school from which these youngsters are going could use chapter 1 money to send those youngsters to a private or parochial school, is that correct?

Secretary BENNETT. Yes.

Mr. GOODLING. But not very realistic, is it?

Secretary BENNETT. I think it's realistic.

Mr. GOODLING. I mean they're really not going to use their money, particularly you have now taken enough students away where they may not be able to reduce one teacher, but they'll have a reduced number. They may not be able to reduce operating expenditures.

Secretary BENNETT. We're operating under two contradictory assumptions here, I think. One is that the program is so effective or the public schools so bad—which I don't believe—that we'll lose all these students to other schools. The other is that the vouchers are too little that it's a teasing of the poor. The two scenarios are contradictory—you can't have both. Under which assumption are we operating?

Mr. GOODLING. I don't think you're operating under either assumption, simply because I don't believe either. I don't believe the people you're targetting can afford to make the change, so I don't think you're going to lose an awful lot of people. My question is, if you do lose those people, transportation then becomes a big item. Now, the local school district that lost those youngsters, I do not believe out of the goodness of their heart are somehow or another going to take off the top of their chapter 1 money, transportation expenses, to send the youngsters to other schools. So what I'm pointing out is it may be an additional cost to them for that same chapter 1 youngster to get to that school of choice. That may just be around the block, but it may be a mile or two away.

Secretary BENNETT. Right, it might be, but I don't think this is just a goodness of the heart matter, Congressman.

Mr. GOODLING. All I'm saying is you don't have anything in the legislation that says, OK, you must follow this youngster with transportation money if this youngster decides to go. That's all I'm pointing out.

Secretary BENNETT. That's right. It may be another matter for the parents to consider. It's not a matter of the goodness of the heart of the LEA. The LEA has an obligation to serve those children, and if this is an efficient way of doing it, I think the LEA will do it. Do you want me to respond to some of your other questions?

I'll start with administrative planning. Schools, principals, and superintendents have a variety of administrative responsibilities and planning responsibilities already. To look again at the schools of choice that we've seen in other parts of the country, we know that if you set up reasonable deadlines for when people must declare and so on, the administrative end can be managed.

Will it perhaps cause some additional administrative planning? Yes, it may well, but that's all right. Just yesterday there was an article in the New York Post, about the Harlem schools, district 5, where they have set up schools of choice. This is also a good example for the other point you were mentioning. Harlem is not a rich educational district but they have managed to set up these schools of choice. They operate on time-tables, and the thing is working. They've gotten the scores up considerably.

As the superintendent says in the article, it means some additional headaches for him and his principals. But as one of his principals says, it keeps you on your toes, and constantly forces you to sell your school. And this program, by expanding parental choice in education, has worked.

Mr. GOODLING. You're losing me, Mr. Secretary, in that I think you are referring in many instances to a private school situation and in this last instance you held up, I think you're really talking about public schools in a school district.

You're talking about youngsters who have the money to go to a private school and make this arrangement in advance versus those who have already been tested to go into the public school situation. That's what's confusing. I think we ought to pretty much stick to the chapter 1 issue, because that's really what we're dealing with in the vouchers.

Secretary BENNETT. But in order to respond to it, I have to look to analagous situations. All I'm saying is this may cause some additional administrative details, but it's solvable, it's workable. It can be worked out in principle.

Mr. BAUER. Congressman Goodling, we happen to believe, by the way, that if this was put into effect, that most of the movement you would see would not be, in fact, from public schools to private schools, but would be from one public school to another. So I think there is an analogy here.

Mr. GOODLING. You see, that creates a real problem for administrators. I know every first grade teacher in my school district, that most of the people would love to have their children go to. You can only put so many in a classroom. If they had their choice within that district or every second grade teacher or every English teacher. You know, you say, well, that's the beauty of competition. The beauty of competition is if, as a matter of fact, you have outstanding teachers in every grade, you and I know that not only is that not practical, it doesn't happen, and unless you're going to do something miraculous about teachers' salaries, I suppose, you're always going to have that problem.

If you go in the up and down swing of increased population, and you have a shortage of teachers that creates a real problem which is one that we're now getting into again in the elementary schools. So those are the problems of management that I'm talking about.

Secretary BENNETT. But nothing has given educational administrators more of a management problem than the whole education reform movement. It's a problem to get hit by A Nation at Risk. It's a problem for some of the teacher organizations to get hit with requirements of testing. It's been a problem with some of the

States to have a wall chart, and there are lots of administrators who say a lot of this makes us uneasy.

But, people, I think, have said, look: you need to be a little uneasy in some ways, because you're not doing the job that you're supposed to be doing. This energetic superintendent in Harlem is going to work slightly longer hours and have his principals work slightly longer hours to settle things. They even went so far, Congressman, as to close down a school, because nobody wanted to go there. The notion that, well, we've got to have a place to dump some students because there are bad teachers, and after all, they're as entitled to students as good teachers, is one of the things that we're resisting.

Now it's quite true that under choice some schools may be empty. To take the example we started with, supposing you lose 75 percent of your students you're going to have problems. But if you lose 75 percent of your students, you deserve to have problems.

Mr. GOODLING. Let me just question the use of bad. I'm not referring to bad teachers.

Secretary BENNETT. Well, there are bad teachers.

Mr. GOODLING. Of course, there are bad teachers. There are bad Secretaries, there are bad Congressmen, there are bad Assistant Secretaries.

Secretary BENNETT. Right.

Mr. GOODLING. What I am saying is that you know, and I know, that there are outstanding teachers. There are very good teachers. There are good teachers, and if I have a choice, and I know who those are, and I do, then I'm going to want my child in that particular school.

Secretary BENNETT. Sure, you bet.

Mr. GOODLING. Thank you.

Chairman HAWKINS. Mr. Kildee?

Mr. KILDEE. Thank you. Mr. Secretary, I thought my 22 years in elective service have generally supported help to those who attend nonpublic schools. As a matter of fact, I was cosponsor and assistant floor leader for the Michigan bill which gave general support to nonpublic schools in Michigan. That later was set-aside when the people changed the Constitution.

Right now, as a matter of fact, I'm engaged in a fight with the administration on that, and I solicit your help, Mr. Secretary. I'm still engaged in that struggle. We're trying to remove the $1,500 tuition cap which the administration wants on the qualification for schools to be eligible to participate in the school lunch programs.

Since you are very supportive of the nonpublic schools, I wish we could get support from the administration. My amendment which passed the House to raise that $1,500 tuition cap so that nonpublic schools could feed children. I think feeding children is a very nonsectarian thing. I'm currently fighting with Jessie Helms and the administration on that issue. If you could send some signal that I'm on the right track relating to this issue, I'd deeply appreciate that.

Secretary BENNETT. I'd be happy to take a look at that.

Mr. KILDEE. We're currently in conference with Senator Helms on that issue.

Secretary **Bennett**. If I could, I am no more a fan of private or sectarian schools than I am of public schools. I am institution blind.

Mr. **Kildee**. But I would solicit your support on that, maybe a telephone call to the Secretary of Agriculture would help on their objection to my amendment.

Secretary **Bennett**. Let me take a look at it, Mr. Kildee.

Mr. **Kildee**. Thank you very much. My point is that through my 22 years, I have generally tried to support children in schools. I was doing that when we were increasing dollars for education. I entered public life back in 1964. That was when the Great Society was started with Lyndon Johnson's election, and we were generally increasing both on the State and the Federal level support for education.

But, in the last few years, particularly the last 5 years, Federal support for education has been shrinking. I think anyone who has taken basic math can determine that to be the case. The President has never asked for any increase in chapter 1. As a matter of fact, except for 1985 and 1987, the coming fiscal year, the President has asked for cuts for chapter 1. That's a matter of record. As a matter of fact, the Congressional Research Service has said that there has been a 24 percent loss of buying power in the chapter 1 funds from 1980 through 1986.

I guess my question is this then, as I try to ponder what is really the right thing to do for children, and that is the bottom line of our deliberations in this committee. I think the question is, shall we invite more schools to the table, the education table, when we really are reducing the amount of food on that table?

Secretary **Bennett**. Well, the schools are already at the table, Congressman.

Mr. **Kildee**. Is that right?

Secretary **Bennett**. Yes; they already are. There are 225,000——

Mr. **Kildee**. Many schools are at the table, but I really fear two things, and I'm asking, I'm pondering and tormented in this whole thing myself. I thought we had a great system before the Supreme Court threw sand in the gears on this. I really thought it was a great system which the Congress had devised, and it worked very well.

Secretary **Bennett**. Yes, sir.

Mr. **Kildee**. I supported it vigorously, and while that system was in effect yet, many of those who are the nonpublic school representatives opposed the voucher system, because they did see that that system was working quite well, and I can see where they have to look at the Supreme Court decision also, I'm worried about other schools opening, storefront schools.

I've already received inquiries how they can qualify from people who would be running the nontraditional schools. I really think there is a serious danger of more schools coming up to that table where the amount of food has been lessened through the last 5 years. I do worry about that.

Also, I worry about this in conjunction with that. Mr. Bauer has stated in a public meeting that this voucher bill is a first step toward a more extensive plan, and he added, "we had to start somewhere." That actually has to fall on ears of members of this committee and give us some concern as to how far this might go when the Federal support for education has been shrinking in the last 5 years.

Secretary BENNETT. To return to your analogy of more schools at the table. The program provides services to children, and what's relevant is the number of children we're talking about. We can debate whether chapter 1 should be expanded to include more people or not, but the services go to children. The schools are already there. Because under chapter 1, even after *Felton*—which, and here I agree with you—even since *Felton* threw sand in the gears, children attending private schools who are eligible for chapter 1, still have to receive these services. No doubt, it's been awkward and more difficult, but they're eligible.

As far as the slippery slope, we're on our way to something else.

Mr. BAUER. Congressman, the paraphrase that you have there is, I believe, a reference to a meeting I attended here in Washington at a storefront school with several hundred black parents. I expected to go to that storefront school and find some skepticism about the administration's proposal. In fact, what I found was those parents liked the idea, and those that had criticisms said wait a minute, why can't my child participate in a voucher? He's not educationally disadvantaged. He's doing OK, but I'd like to have some choice for him too. In response to that, I said I believe that if the Congress passes this administration's proposal that, in fact, they will see it work so well that it will be the first step to the State governments around the country taking further actions that would increase choice. If our choice proposal falls flat on its face which some of you obviously think that it will, I think the choice issue will be dead once that happens. But, we happen to believe that if it's passed, that after people see what happens, there will be more calls for increased choice.

I would add that it's not this administration that's particularly pushing that. It was those low income and minority parents who spent a couple of hours telling me that that was something they felt very strongly about.

Mr. DYMALLY. Will the gentleman yield for a question, please?

Mr. KILDEE. I yield to the gentleman.

Mr. DYMALLY. Is this bill designed for black children? I keep hearing references. Both the Secretary and the Congressman, is this bill designed for black children?

Secretary BENNETT. It's for all eligible children in chapter 1.

Mr. DYMALLY. Well, the frequent reference to minority and black leads me to believe we have a bill here from South Africa.

Secretary BENNETT. No, it just turns out we have a lot of minority children in chapter 1.

Mr. BAUER. Fifty-five percent of the children served, Congressman, are minority children, and it is among the minority community that we find our strongest support for the proposal. Thus, we are likely to cite them as supporters when we're talking about the bill.

Mr. DYMALLY. I think I represent minority kids. I have had no response at all. I have a personal relationship with six or more superintendents in my district. I have been teaching science policy during the recess, and I don't know one who has come to me and suggested we adopt your bill.

I would like to think I have probably the most integrated district in California.

Secretary **Bennett**. It's not popular with superintendents, Congressman, and we know that. That has to do with the reasons Congressman Goodling was talking about. There are other things that aren't popular with superintendents but that still deserve a look But it is popular with the black community. We'd be happy to show you the polls.

Mr. **Dymally**. What black community, in Georgia?

Secretary **Bennett**. Black Americans, Gallup Poll.

Mr. **Dymally**. In California?

Secretary **Bennett**. I'm sure Gallup called some folks in California.

Mr. **Dymally**. In the 29th District, 28th District?

Secretary **Bennett**. I don't know how Gallup broke it down, but we'll show you the polls. You might want to go with Mr. Bauer to one of these community meetings.

Mr. **Dymally**. I thank you, Mr. Kildee.

Mr. **Kildee**. Let me reclaim my time. My point is I think we are all trying to do what is right for kids, but I have not been convinced really that that has been the position of the administration. These have been the saddest 5 years of my 22 years in politics. These have been really years where we've been stingy with children.

The Reagan administration has been stingy in education. They have been. Now your credibility, and I'm a little angry, and that's good. Just anger is a virtue. I'm convinced of that. I was taught that in parochial school.

Secretary **Bennett**. Right.

Mr. **Kildee**. I think your credibility before this committee would be greatly enhanced were you coming here saying, let's expand and enhance and enlarge the amount of food on the education table, but that's not been your record in the last 5 years, and that causes a great deal of consternation here on the committee.

Secretary **Bennett**. Let me try to turneth away wrath here, Congressman. As a matter of fact, these have been good years for education, the last 2 or 3 particularly.

Mr. **Kildee**. The Federal role has shrunk.

Secretary **Bennett**. Yes, and the educational improvement has been dramatic.

Mr. **Kildee**. That's happened despite the fact the Federal role has shrunk, not because of it.

Secretary **Bennett**. I'll tell you something. There are some people who take as the bottom line in education how much the Federal Government is spending. As I see it, the bottom line is how much children are learning and the evidence is that children are learning more.

We put out the wall chart last week, and lo and behold, there are 35 States showing higher academic achievement, 39 States showing lower dropout rates. There is just one other chart that needs to be added, or really put on top of that chart there, and that is education funding in the United States: $261 billion. Why there is something magic about the Federal dollar as compared to the State or local dollar, someone has to explain to me. I want to tell you, Congressman, if you have the interests of the education of the children of this country at heart, you should be heartened by the last 3 years. We're getting better. We're getting ahold of this.

Mr. KILDEE. Let me tell you for sure that I have it at heart, and I don't think anyone has ever questioned that with me.

Secretary BENNETT. You questioned mine, so it's only fair to raise it.

Mr. KILDEE. I questioned the administration.

Secretary BENNETT. That's me.

Mr. KILDEE. You're part of the administration?

Secretary BENNETT. That's right, the part that deals with education.

Mr. KILDEE. I think your point is good. I think maybe I have offended you, and if I have, I don't think one should needlessly offend, but sometimes one has to offend.

Sec. BENNETT. That's all right. I'm a big boy.

Mr. KILDEE. I think if I offended you, I'm sorry, but I do think my statement is correct, Mr. Bennett, I really do.

Secretary BENNETT. Federal funding is down, there is no doubt about it.

Mr. KILDEE. I don't want to be offensive, because I think you come here sincerely. You come here with a pure heart. I disagree with you, so I don't in anyway question your motives. If I've offended you needlessly, that I apologize for. Let me ask you this.

I couldn't tell Cap Weinberger that we'll cut your dollars and your defense system will improve. That won't sell there. Everyone of his dollars for defense, he filched from programs in education or from borrowed dollars. Now it wouldn't sell too well if I were to tell Cap Weinberger, we're going to cut your dollars, but your defense system is going to improve.

I don't think that sells too well in education either, and, again, if I offended you, I do apologize.

Secretary BENNETT. Thank you for that. But let me say again, the responsibility for the defense of the Nation is the responsibility of the whole Nation. It is the Federal Government's responsibility to pay for it and to pay for all of it.

Education is primarily a State and local matter. I really think, Congressman, you do not want a budget for education that is 99 percent controlled by the Federal Government, because then, depending on who the Secretary of Education is, you're going to have a czar of education. The Federal Government pays entirely for the defense of the Nation. It's the tradition in this country that education will be funded by State and local government. That's where the control is, and I think that's a good thing.

Mr. KILDEE. It's a local function, it's a State responsibility, but it's a very, very important Federal concern.

Secretary BENNETT. Yes, sir, I agree.

Mr. KILDEE. I think there's been a diminution, not just of dollars, but there's been a diminution of the Federal concern for education in the last 5 years.

Secretary BENNETT. Let me just comment. I think that we have certainly addressed educational issues in a forthright way. I don't think we've taken our concern for education out of the picture. I know, personally speaking, that I haven't. But again, what's the bottom line: how much the Federal Government pays, or how much our children are learning? I'm encouraged by the latter. That's really my baseline on all of this. Thank you, sir.

Chairman HAWKINS. Mr. Fawell? May I inform the members, I am trying to go first by the membership on the subcommittee, and then we'll take the others after they have had their opportunity, the members of the subcommittee.

Mr. FAWELL. Thank you, Mr. Chairman. There are several questions here. I hope I can be concise. The one concern which a lot of us have with regard to this bill is that we have in compensatory education, a fairly successful program which apparently doesn't have sufficient funding now, so that roughly 60 percent, I am told, of the parents of children who would be eligible aren't able to partake in it.

Regardless of how one looks at tax credits or vouchers, there is a central issue here, and it seems to me that we're constructing that concept on compensatory education funds, I'm not sure that's where tax credits and/or vouchers are to commence.

As I recall in reading the proposed bill, you have these funds which can be used for tuition and for full-time students only in public or private schools. The first question I would have is why do you specify and require that the funds, insofar as the funds parents have to use here, can be used for a full-time tuition?

Why not limit it to part-time and only for the purpose of compensatory education services? Why should general educational costs be covered, and thus there's a siphoning off of very little money that is now used and earmarked for compensatory educational services? This does not seem sound to me.

Secretary BENNETT. It's a good and interesting question. I'll ask Mr. Bauer to comment on some of the history of this, but the reasoning behind it is this: The educational services provided in chapter 1 are to help that student get up to speed academically. If that student is a year behind in reading or a year behind in arithmetic, the program helps that student get up to speed.

It's been our experience, and I think research confirms it, that there are some schools, both public and private, that can get the student up to par, by enrolling him in the general academic program, rather than through the provision of special services. I do not think that a school with a track record like that should be required to do something additional or something different from what works now.

Of course, the main thing here is that the parent can make that decision as to whether enrolling in that "general academic program," or buying the educational services on a discrete basis, is better, but we don't want to rule out the former, because we think sometimes that works. Gary?

Mr. BAUER. I think that's exactly right. I would like to comment on your opening point about the fact that the program only serves, I believe the figure used was 60 percent which has been mentioned here before this morning, of those who are eligible.

First of all, we disagree with those figures. Second, the number of children served is a judgment made by the local education agency, not by us at the Department of Education. What we do is attempt to identify the lowest cost, most effective chapter 1 programs that we can find so that those school districts, who want to serve a larger number of the eligible children, may do so by using those low cost effective programs. Some of the school districts in spite of that choose to serve a smaller amount of children at a higher cost for whatever reasons. They make that judgment at the local level.

If that's something that the committee is uncomfortable with, I suppose that would be an issue that could come up in reauthorization, but under the law now, those school districts make the judgment on how many children are served, not us, and it's not tied to our budget.

Mr. FAWELL. I understand that the school district has to make that choice, and it's a very difficult one, because you're never able to serve all of the educationally disadvantaged. In many of the public schools in my area, they just, for instance, in remedial reading, ignore trying to use compensatory education funds. There just aren't enough of said funds. I'm sure it's much worse in areas where poverty is more rampant than in my particular congressional district.

But, it just doesn't seem sound to me that with what little funds we have that we should siphon them off from compensatory educational services. That has been deleted insofar as these voucher funds are concerned. They apparently can flow into private schools without any account of whether they are being used to provide compensatory education services. It's not a level playing field in terms of comparing private and parochial schools. I've often thought you're comparing apples and oranges anyway.

But, it would seem to me you would have a sounder bill if you would say that we're going to give choice in the area in which we are basically concerned, and that is providing compensatory educational services, and we shall not allow those funds to be used for other general fund purposes in the private schools any more than now we would countenance their use for anything but compensatory educational services in the public schools. Indeed, that is what the law now sets forth, and most of the managers and administrators with whom I have talked have said they spend days and days of time accounting for the specific compensatory educational services which they are rendering.

It seems to me that you could strengthen the bill a great deal if you would keep the amendment to the compensatory education program dealing with aid in the form of compensatory educational services. So that's just one person's opinion.

I think this is a major defect in the bill that one does have to be concerned with. There is another point, and this may be more for counsel. I noticed in looking at the portion of the bill which pertains to the possibility of racial discrimination, I've noticed that the words, and I don't have the bill right before me, but there is a deletion of the words, "Federal financial assistance," that these funds that would flow to the private school and concern via the voucher route would not be deemed to be, once in the hands of the private school, to be Federal financial assistance.

What is the reason for this?

Secretary **Bennett**. I'll ask counsel to respond to the second, if I could just briefly respond to the first. Again, I appreciate your interest in this, Congressman.

In the spirit of your question, we think that a voucher proposal that would be limited to compensatory services only, would be an improvement—no doubt about it. I guess philosophically, we can't see a good reason for saying that even if a general program works—if it teaches the child what it should—be ruled out because it isn't specifically compensatory.

If your hesitation here is that limitation, we would think a voucher, limited to compensatory services would be progress.

Mr. **Willkie**. As for the provision in the bill that voucher funds would not constitute Federal financial assistance, that provision was also taken from the mark up in the Senate Finance Committee of the tuition tax credit proposal in 1983, and reflected a bipartisan agreement in that committee, including Senators Dole and Packwood and Bradley and Moynihan.

It would not, however, change the applicability of civil rights requirements to private schools that are otherwise receiving any form of Federal financial assistance.

Mr. **Fawell**. The information that was handed me here, is it correct to say that when one does not look upon Federal tax funds flowing to a private school as Federal financial assistance, that this, in effect, means that the jurisdiction of the Civil Rights Act and title IX of the Educational Amendments Act of 1972 in reference to sex discrimination, and section 504 of the Rehabilitation Act in reference to handicapped children, that the jurisdiction of those acts thence do not apply to the private school, at least insofar as the specific Federal funds to which we have reference here?

Mr. **Willkie**. If the voucher funds are the only funds that the school is receiving indirectly, even indirectly from the Federal Government, that is true.

Mr. **Fawell**. Why would you not want to have the Civil Rights Act and title IX and section 504 of the Rehabilitation Act pertain to private schools which may use the money for general fundings purposes, for instance, general tuition funding purposes?

Mr. **Willkie**. These issues were addressed by the Senate Finance Committee, and I gather it was the feeling of that committee that they had to weigh various considerations.

Mr. **Fawell**. I'm asking your view, or I should say that of the Department of Education.

Mr. **Willkie**. As for those schools that don't otherwise receive Federal financial assistance—as distinguished from colleges and universities—you're talking about small, often struggling, often inner city schools, and although the civil rights statutes are of paramount importance to the Federal Government's responsibility in the area of civil rights, the laws do impose significant administrative and recordkeeping burdens.

The feeling was that where you're talking about institutions that do not otherwise receive Federal financial assistance, the simple fact that students are there as a consequence of the tuition tax credit or the voucher should not in and of itself be the source for invoking those considerable administrative burdens.

Mr. **Bauer**. Congressman, there are also some religious questions, about sex discrimination. Some Jewish schools, for example, are all male. There was a feeling in the Senate committee, I think by both Senator Moynihan and Senator Bradley, that it would be an inappropriate Federal role to attempt to change particular religious practices just because the parent of one of these children might be receiving a tuition tax credit.

Mr. **Fawell**. I see the point. I guess that's the nonlevel playing field, I guess, we referred to. Certainly one can be legitimately concerned with some kind of Federal aid in regard to private schools, but you continuously run into the fact that in the public school sector, you have our public schools always on the front lines of democracy where every noble constitutional obligation is cast upon the public schools and rightfully so, including the inability to discharge teachers or not to teach certain students without due process of laws and all of the many requirements which State legislatures have been putting upon public schools.

What we are saying continuously here is none of these responsibilities and obligations that so abound insofar as public schools are concerned are not going to affect the private schools, at least under the flow of Federal funds that would commence under this voucher program. Is that roughly correct?

Mr. **Bauer**. Yes, that's roughly correct, but I think it's worth pointing out that one of the approaches we've taken in some of these issues, at least, is to remove some of the burdens from the public schools, particularly in an area like school discipline, rather than hamstring private schools with some of the really ill-advised court decisions of the last 20 years in the school discipline area.

We think it would be much more appropriate to continue our efforts to roll back some of those unnecessary redtape requirements that have been put on local public school officials, so that, in fact, we can have a level competition field.

Mr. **Fawell**. Well, I agree with you, that there are an awful lot of constitutional inhibitions placed upon the public schools which one would question. On the other hand, the idea that you should not discriminate on the basis of race or religion or sex or because of physical or mental handicap, there are some very salient constitution inhibitions that are placed rightly so upon public schools, and I can see how that is difficult when you try to then place that fabric upon the private school system, one of the great strengths of which they are not proscribed and inhibited by any kind of constitutional obligation, indeed, because they are private. We always come to the point, I guess, of determining whether we make private schools public in order to have public school funds flow. We want to keep the strength of private schools, and yet it's a constant conflict that one sees, at least from the legislative side.

Thank you very much, Mr. Chairman.

Chairman **Hawkins**. Mr. Owens.

Mr. **Owens**. Mr. Secretary, I think that some of the questions that I have have already been asked, but I didn't get a clear understanding of what your answers were. So I may seem redundant, but I would like to have further clarity on some of these questions.

Mr. Fawell's basic question, I still would like you to further amplify and enhance it, and that is that the thrust of the chapter 1 program and the concern of Congress and the administration which was in power when chapter 1 was created was certainly not to replace the effort of the local schools. Compensatory education, supplementary education, all that was very important. There were very lengthy debates about not allowing schools to shirk their responsibilities and take Federal funds and reduce their own effort.

The maintenance of effort was a major concern, and I think it still is, but I couldn't hear clearly from your answer what you were saying. Has the thrust of the Federal effort changed which sort of contradicts what you were saying before, about education is primarily a local and State effort, and billions of dollars are being put in by the local and State government, but you're proposing an innovation here which is going to go directly into basic cost of education. As Mr. Fawell said, if you're going to allow the private schools to use the Federal funds to meet their basic needs and not provide compensatory or supplementary education, then how can you not also allow the public schools to do that, which is a major change.

I'd like to hear you clarify your answer a bit on that if you don't mind.

Secretary BENNETT. Sure. First of all, Congressman, there is nothing new in chapter 1 services being provided to students enrolled in private schools. This is not creating a new right of entry; we are not going to have students in private schools receiving aid whereas before they couldn't. We've been doing this for 19 years. There are thousands of students in private schools receiving these funds.

Mr. OWENS. These are chapter 1 programs, funds for tuition?

Secretary BENNETT. I'm sorry?

Mr. OWENS. Using chapter 1 funds for tuition?

Secretary BENNETT. Using chapter 1 funds for compensatory services.

Mr. OWENS. For compensatory services, yes.

Secretary BENNETT. It's really an educational question. As I said to Mr. Fawell, we would think that the voucher idea limited to compensatory services would be an improvement over what we have now. But, educationally, I can't see good reasons to say to the parent, look, your child may do better at this little school you've decided to pick one that offers a general educational program, but we can't let you use the money for that.

It will serve the same end. The child will overcome the reading and math deficiency.

Mr. OWENS. Can you afford in your position to give me an educational common sense answer? What would be the official philosophical position of the Government? What is your administration saying, that we want to move now into the provision of basic education costs, covering basic education costs at the local level?

Secretary BENNETT. No, we're committed to chapter 1. We will continue our commitment to chapter 1. It's a good program.

Mr. OWENS. The minute you move the tuition, you're providing basic cost. That school can use that money to pay the janitor's salary as well as the headmaster's salary or for any other purpose. That's what tuition is for.

Secretary **Bennett**. If the parent decides that that school is providing the services the child needs and by the way, it's not limited to private schools, public schools outside of district could also operate on the same basis—if it works, if it achieves the ends of chapter 1, why not? What's the strong argument against it?

Mr. **Owens**. So there is a basic philosophical change in what this administration says. The Government should make a new kind of effort and be involved in providing basic cost.

Secretary **Bennett**. I don't think so. I think we're doing that in other areas, Congressman. I mean, we block granted our chapter 2 programs, and that money goes for all sorts of educational purposes—it supplements teachers' salaries, buys books, does all sort of things. It's added on. It's obviously not replacing the local share, the 92 or 94 percent State and local authorities provide. But the idea of a block grant was to give State and local authorities their head in terms of how to best use it.

Mr. **Owens**. You've used several examples of schools in New York City, District 4, District 5, and are you under the impression that dollars are involved in these choice programs, that parents who are choosing to go from one public school to another, that they are making that choice, and they have to pay some extra money somewhere?

Secretary **Bennett**. No, this is within the public school system.

Mr. **Owens**. Money is not involved at all?

Secretary **Bennett**. Well, obviously money is involved at some point, but as far as I know, I don't know all the details.

Mr. **Owens**. You mean the payment of money by parents is not involved?

Secretary **Bennett**. As far as I know.

Mr. **Owens**. So those choice programs have some relevance, but that kind of thing is not what we're talking about in terms of parents choosing. Parents who choose on the basis of a tuition grant of $600 will have to make a choice as to how much money are they going to add to that. They are going to have to add something to that in order for their youngsters to go to school.

Secretary **Bennett**. Sometimes and sometimes not.

Mr. **Owens**. Let's go to my next question. That is your figures for median tuition, I'm concerned about whether or not that's for the whole country, nationwide, or is it for the areas where inner-city children, children eligible for chapter 1, those who the majority of them are in inner-city areas. Do you have a figure for the median tuition for schools in the inner-city areas where the chapter 1 children would likely have access to those schools?

Secretary **Bennett**. The figure I gave, the $773, is the national figure, the median average for chapter 1 schools.

Mr. **Bauer**. Congressman, it goes lower. We've surveyed the 20 largest cities in the country, and we find that the voucher amount that would be available under chapter 1 will pay for a significant number of the private schools serving chapter 1 children in 15 of those 20 cities. With the Chairman's permission, we would like to submit the record of those tuitions in those major cities for the record.

Chairman **Hawkins**. Those figures will be entered in the record.

[Tables appear in the Department of Education materials at the end of the hearing record.]

Chairman HAWKINS. Will they include the cost of additional services that are provided by public schools? The average that you mentioned does not include other special services that are given to pupils in the public schools. We would like to have comparable figures.

Mr. BAUER. I'm sure we can provide those, Mr. Chairman.

Chairman HAWKINS. Thank you.

Mr. OWENS. Which takes us back to the question that Mr. Goodling raised which is what is a school, how do you define a school. In these figures that you will be submitting, you've taken anything that calls itself a school or only schools accredited by the State, schools which would meet State licensing requirements? What is this group comprised of?

Mr. BAUER. These schools are overwhelmingly inner city Catholic schools which are serving 90 percent of the private school students under the chapter 1 program.

Mr. OWENS. Overwhelmingly, but you have included some of the——

Mr. BAUER. I am not aware that there have been any unaccredited schools included. We wouldn't even know how to reach them if there wasn't some record of their accreditation.

Mr. OWENS. You mentioned going to a storefront school before.

Mr. BAUER. It was an accredited school by the District of Columbia here in Washington.

Mr. OWENS. So you have not included any of those schools?

Mr. BAUER. No; Congressman Owens, I think there is a great deal of confusion about this. The Catholic schools in our urban areas around the country have had an outstanding record at serving low income, minority, bilingual, handicapped children at very low cost. The church has distinguished itself with the subsidy it has given to the families that want to send their children to those schools.

We have no reason to believe that they won't continue to do the outstanding job they've done for a number of years. It is, in fact, that reason that the Congress was able to pass the chapter 1 program 20 years ago.

It was only after the Congress was assured that children in those schools would get equitable services that a coalition could have been put together in the Congress 20 years ago to pass the chapter 1 program.

Mr. OWENS. Are you saying this legislation relies very heavily on the assumption that the church, Catholic and otherwise, will continue to make a heavy investment in education? That is your assumption?

Mr. BAUER. They've indicated that. They're doing it now. Most of these inner city Catholic schools are 80 and 85 percent black.

Chairman HAWKINS. Will the gentleman yield on that question? It seems to me you keep ducking the definition of a school, and you keep referring to Catholic schools.

Mr. BAUER. They're schools.

Chairman HAWKINS. And we think they're durned good schools too. My parents would roll over in their graves if they didn't believe that I was commending Catholic schools. But, is that the definition included in the bill? Is the bill restricted to parochial schools or Catholic schools?

Secretary **BENNETT**. No, of course not.

Chairman **HAWKINS**. I think the question relates to a situation where a fly-by-night huckster is operating a school in a storefront. It doesn't even have to be in a church. It doesn't have to be a Baptist school which is being operated in the basement, but let's say a school which is operating without any accreditation, no teacher certification, et cetera.

Let's say an academy that's attracting all white students, et cetera. Could these examples fit within the definition of the bill, and are they excluded or included?

Mr. **WILLKIE**. As to the first point, Mr. Chairman, our proposal, of course, leaves in place existing State regulatory and certification requirements. We don't disturb that.

Chairman **HAWKINS**. You don't disturb them. Could you include them?

Mr. **WILLKIE**. Absolutely.

Chairman **HAWKINS**. In your definition of a school, it means that the school would have to be accredited, the teachers would have to be certified, and all of the State standards would have to be met, is that what you're telling me now?

Mr. **WILLKIE**. As you know, Mr. Chairman, the States regulate this matter very differently from one State to the next, and we don't disturb existing arrangements.

Chairman **HAWKINS**. We're talking about whether the bill requires any rules and regulations in terms of the schools that would be eligible to receive the vouchers.

Secretary **BENNETT**. Sure, it has to have a program of instruction. It has to have a faculty. It has to have a regular student body. It has to have a place.

Chairman **HAWKINS**. Who's going to insist on these standards? Who's going to see that such standards that you've mentioned which I have not found in the bill incidentally——

Mr. **BAUER**. Those very definitely are in the bill, Mr. Chairman.

Chairman **HAWKINS**. Let's grant that they are in the bill. Who is going to enforce those standards?

Mr. **BAUER**. The parent has to deal with the local education agency in order to get the voucher, so presumably an LEA is not going to honor a voucher at a school which was a fly-by-night operation. So I think there will be safeguards at the local level just as there are in all of our other programs.

Chairman **HAWKINS**. I don't see the definition of a school in this.

Mr. **WILLKIE**. What you do have is a reference to section 170 of the Internal Revenue Code which defines eligible educational institution, incorporating the aspects of a school that the Secretary referred to.

Chairman **HAWKINS**. Eligible for tax purposes, as to whether or not it receives income, but the IRS is not going to see whether the school has certified teachers and whether the school is operating under State standards, and if that is so, then it seems to me you have misled a lot of schools including some of those in my district, which now believe that they're going to get this $600 and some odd, and they are delighted, they are delighted to know that they're going to get this money, when obviously they aren't going to get it.

Mr. **Willkie**. We are not disturbing the status quo in individual states with regard to——

Chairman **Hawkins**. The status quo is that these schools are operating under status quo now. They're not living up to the same standards.

Mr. **Willkie**. If the State permits the schools to operate, then they would certainly be eligible to accept the voucher funds.

Mr. **Bauer**. Mr. Chairman, are you aware of a large number of fly-by-night schools in your district that are now happy they're going to get our voucher? If so, I suggest that you move against them.

Chairman **Hawkins**. Yes, I would be glad to give you a list of them, and if they are going to get this $600 and some odd, I'd like to let them know that somehow I might be involved in a scheme to allow them to survive. I just can't be that dishonest, to be most frank with you.

Secretary **Bennett**. I think most parents are going to resist very strongly sending their children to a fly-by-night operation. The reason we keep bringing up the inner-city Catholic school is because we estimate that something like 90 percent of the chapter 1 children who are in private schools are in Catholic schools.

Chairman **Hawkins**. Catholic schools are endowed otherwise, but you have a lot of schools that don't have that other income that obviously are going to be attracted by the possibility they will get $600.

Secretary **Bennett**. If they can do a good educational job, such as these 400 or 500 independent community schools.

Chairman **Hawkins**. You know that no child is going to be educated for $600. You know that as well as I do, Mr. Bennett.

Secretary **Bennett**. Right. Some of the schools you talk about, of being so well endowed by the way, have their per pupil expenditures, $1,100 or $1,200. But if this brings into the field an educational entrepreneur who can open a school and take 100 students at $600 and give them a good education and can establish a track record, that's fine. But arguing against this proposal on this basis is like arguing against democracy on the grounds that we're going to elect a fly-by-night Congressman. I mean, that will happen from time to time.

Mr. **Owens**. In addition to making the assumption that Catholics and other religious groups will continue to generously supplement the funding of their schools, you're also saying that this bill would welcome opening up the whole field of education, elementary school education to entrepreneurs, and that the only regulations will be to status quo regulations that exist already, and local education agencies will really be the determining factor, the decision-makers as to which groups get funds, is that correct? Did I hear you say that a minute ago?

Mr. **Bauer**. The LEA will work with parents, and, of course, we will watch to make sure that the LEA is using the definition of a school that is in our bill which uses the section of the IRS Code which we referred to previously.

Mr. **Owens**. All right, so the local education agency will be in charge of its competition, monitoring competition and challenging funds to its competition, except you will watch them to see that they fairly regular their competition.

Mr. **Willkie**. Mr. Owens, they do that today in the dispensation of chapter 2 funds. The chapter 1 program currently provides compensatory services to a quarter of 1 million children in parochial schools. These programs are administered by local education agencies.

Mr. **Owens**. At this point, you're talking about the leak in the dike. This voucher program will open the way, as you've already said, or you're hoping it will open the way for a much larger voucher program, so you're talking about something very different from what is existing.

Mr. **Bartlett**. Would the gentleman yield?

Mr. **Bauer**. Congressman Owens, what I said is that I believe if the voucher proposal is passed by the Congress that the results in a few years will be so successful that you will be coming to us asking for ways that we can give more choice to parents. If that's a foot in the door, then I guess it's a foot in the door.

Mr. **Owens**. I assure you I have groups in my district who are ready to start entrepreneurial schools. Consumer guide requires some kind of guidance, because the example you give in your statement that parents help their children to choose, to get Pell Grants and Federal loans, they choose wisely. They don't choose wisely in my district. There are all kinds of problems, particularly when you leave the established State supported junior colleges or 4-year colleges, and you move into the area of the commercial schools, and an area where we are providing aid, but there's no tight regulation. There's all kinds of scandals that have been going on from time to time, and all kinds of rip offs taking place with respect to those students, and the parents don't participate in their selection process at all. Students are on their own generally.

If these parents are going to participate, what kind of guidance are you going to give them. If guidance is the definition of a school, as you've just stated, that's not very much guidance.

Mr. **Bartlett**. Would the gentleman yield?

Mr. **Owens**. No, I will not yield at this point.

Secretary **Bennett**. I have long been a strong advocate of assessment, as I think you know, in the area of higher education particularly. But I think we also should engage in assessment of elementary and secondary education.

Believe me, there's no monopoly on doing a bad job in education, whether one talks about the private or the public realm. We can succeed in doing a pretty lousy job in both when we really try, and we can succeed in doing a very good job in both when we really try. I quite agree we need instruments of assessment and evaluation of schools at all levels.

That's one of the encouraging things about the whole educational reform movement, and that I think ties into choice. The more assessment we have, I think, the more pressure there will be for choice. Because as parents see what schools do, whether they are fly by night or not, whether they improve students test scores or not, there's going to be more and more of an——

Mr. OWENS. You're making a speech about assessment which I agree with totally, Mr. Secretary. What provision is there in your bill for such assessment to take place?

Secretary BENNETT. In this bill, there isn't anything about assessment. That's not what this bill is about.

Mr. OWENS. You'll make the money more loosely available, but no new assessment.

Secretary BENNETT. My point is that any school that wants to attract students is going to have to show why it's worth putting your money in and sending your children to.

If I might comment, so many of the questions have operated from the premise that if we introduce a voucher bill there's going to be dramatic movement to the private schools. Again, I just don't believe it. My belief is that if you give the poor the same choice as the wealthy have they're going to act pretty much as the wealthy act. Eighty percent of our most affluent citizens send their children to public schools, and I think that's going to be the way it is among the poor.

Mr. OWENS. I don't make the assumption there is going to be dramatic movement. The problem is that a lot of people out there in my district do make the assumption. I think the whole bill is a diversionary program which pulls us away from the real issues related to Federal involvement in education which is quite unfortunate, considering the fact that this administration refuses to make the kind of commitment it should be making.

Your statement earlier about the primary purpose of a Federal Government is defense. I will agree that national security and defense is a primary purpose of the Federal Government, but I think we have an obsolete notion of what we have to do in order to guarantee national security, short-term or long-term. I think education is at the center of it all in terms of the brain power that this Nation produces on an elitist basis, not just top scientists and top technicians, but every segment of society needs to be educated to the maximum.

The Federal Government's role in this should be the catalyst, but when the figures drop the way they have dropped here, we have a minimal effort which doesn't even allow the Federal Government to have its catalytic role in education which means that the Federal Government has deserted the heart of what should be our national security effort, whether we're competing with the Soviet Union in some kind of long-term peaceful coexistence fight, some kind of hot war or competing with our own allies and friends in a commercial battle that we're losing everyday in terms of our ability to out maneuver and survive in the commercial world.

In either place, we need the best brain power we can get, and both are involved very much with national security, so education is at the heart of it. For the Government to reduce its effort while education is becoming more complex, and the needs are greater to reduce its effort is for the Government to be very irresponsible. The Government doesn't reduce dollars in defense when it's serious about increasing and improving defense, but it's going to reduce dollars in education, and at the same time say that it's interested in education. I think that's a real swindle.

You have a frivolous public relations response to a very serious problem, and that's what concerns me most. This voucher bill is part of that frivolous public relations response, a media circus, and I think that we're doing a great disservice to our country, a great disservice to our national security effort. I have no more questions.

Secretary **Bennett**. May I comment?

Chairman **Hawkins**. I thought his views were stated, Mr. Secretary. He was not asking a question. He was stating his views.

Secretary **Bennett**. Calling us engaged in a swindle. All I want to say is——

Chairman **Hawkins**. If you want to address remarks to that, I'll certainly accept that.

Secretary **Bennett**. All I will say is that I'm heartened by the fact that so many of those who are so bitterly opposed to this proposal are arguing against it by not talking about it. They're talking about something else. Let's talk about this proposal on its merits.

Mr. **Bauer**. If I could add, Congressman Owens, the Department of Education's budget in the last 4 years has gone from $15 billion to over $18 billion. The reason that line trend is down is because many of the things this administration has done, including the report of the National Commission on Excellence, has generated an incredible increase in spending on the State and local level. That spending is increasing so rapidly, and for the first time in the last 8 or 9 years, it's out pacing the rate of inflation. That is the reason that line has trended down, not because the Department of Education's budget has been cut over the last 4 or 5 years. The most recent period to make an examination or comparison with is the period from 1976 to 1980 in which the party you are a member of controlled the House, the Senate, and the White House.

I can show you a chart that shows what happened to education spending during those 4 years. You could not increase appropriations fast enough to keep up with the runaway inflation rate that this country had not seen since the Civil War. So in my view, the period of shame was 1976 to 1980, and the period of improvement is from 1980 to now.

Chairman **Hawkins**. Well, gentlemen, we're off the subject completely. The statement was not made at all as to what happened during any previous administration. If you want to challenge that chart——

Mr. **Bauer**. Indeed, I do.

Chairman **Hawkins**. Well, let me defend the chart if that's what you have reference to. I invite the Secretary to bring his own chart in using the same dollars, constant dollars adjusted for inflation and show us what has happened in the field of education, the funding of education at the Federal level in the last 5 years, and we will be very glad to put that in the record also. Let's not deal with past administrations. I was only trying to give the Secretary an opportunity to answer the charge that the proposal is a swindle.

Mr. Armey was recognized and unfortunately we got off on a political question of which administration has done the most. I was embarrassed by the Carter administration, because I thought that a lot of this mess of cutting Federal programs including education started under his administration, but he's not in office. So we can only talk about the present and hopefully the future.

Mr. **Ford**. Mr. Chairman.

Chairman **Hawkins**. Mr. Armey has been recognized.

Mr. **Ford**. I have a request with regard to the chart.

Chairman **Hawkins**. All right. You're recognized.

Mr. **Ford**. Without attempting here to correct the gentleman, the halcyon years of education spending were under a Republican President. I think if you check the years of the Nixon administration, you'll find that's where we had the greatest increases in Federal expenditure for elementary and secondary education, every single year. If you're going to put a chart together, you ought to look at the whole 20 year history of this legislation and give credit where it's due. Don't just give credit to President Johnson who started it, but give some real credit to President Nixon who really provided the gasoline to make it go.

I guess it's still acceptable for Republicans as well as Democrats to admit that he did preside over some good things that happened here, and one of them was that your chart will show the 6 years of Nixon, not the 8 years of the administration, but his 6 years were the 6 best years we had at any time in the 20 years, and he should get credit for that.

Chairman **Hawkins**. Mr. Secretary, would you include on the chart then, and we will modify this one to show a 20-year growth or decline?

Secretary **Bennett**. Sure. I'd like to bring the charts we have already made up as soon as possible, and then we'll prepare other charts reflecting these questions.

Chairman **Hawkins**. Good. I assume you will be back before the committee possibly on some other subject in the near future, and we'll be very glad to give you an opportunity.

Secretary **Bennett**. Could I excuse myself for 1 minute?

Chairman **Hawkins**. Yes, go ahead, Mr. Secretary: May I in the interim invite Congressman Swindall, the author of the proposal, to sit at the witness table please? Mr. Swindall, I don't know what arrangements we have agreed to, but may I say that it's a pleasure to have you before the committee, and when the time is convenient, we will interrupt in order to have you present a statement, but in the meantime, if you care at any point to get into this little discussion, you're certainly invited to do so.

It's been suggested that you might go ahead with your statement at this point in the absence of the Secretary. We're not inviting you to take over the office of the Secretary, but you may proceed.

Mr. **Swindall**. Thank you, Mr. Chairman, I appreciate that, and I want to commend the chairman for calling this meeting, and I would just like to say at the outset having sat through just a moment of the questioning that I want to apologize for having had a prior commitment in Atlanta this morning that precluded my being here at the outset.

But, I would also ask that the committee try to differentiate between swindle, S W I N D L E, and S W I N D A L L.

Mr. **Owens**. I was about to state it was nothing personal.

Mr. **Swindall**. Mr. Chairman, as this committee is well aware, the President's Commission on Education recently submitted a report which started by stating, "Our nation is at risk." It further states that while we can take justifiable pride in what our schools and colleges have historically accomplished and contributed to the United States and the wellbeing of its people, the educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people.

What was unimaginable a generation ago has begun to occur. Others are matching and surpassing our educational attainments. The problem, I believe, your Honor, that the Commission concluded——

Chairman HAWKINS. Mr. Swindall, you're a member, and you obviously will have the opportunity to come before the committee. I promised the Secretary that we would not keep him longer than 1 and probably earlier, if possible. So would you make your remarks brief, and then we will invite you and other members who have indicated an interest in the bill to come back before the committee?

Mr. SWINDALL. Yes, sir. Very briefly, I will not go into all the conclusions of that report. I believe this committee is well aware of them. I will say, however, that I am alarmed as a product of public education, having been educated in elementary, high school and college and law school in public institutions about what is apparently the erosion of the quality of public education.

It is because of my concern that I have agreed to be the primary sponsor of the TEACH bill. I would say that without getting into the specifics of all the charts here that one conclusion must be drawn, and that is in 1963 we spent less than a billion dollars on education at the Federal level, and today we spend over $18 billion. Typical of that growth has been the chapter 1 program which started in 1966 with funding of less than $1 billion, and today is about $3.7 billion. I don't for a moment believe that the Federal dollars that have been committed to education can account for the decline that the President's Commission on Education has noted.

I do think, however, that the control, the Federal control that has accompanied that money has contributed to that decline. I brought with me today the regulations from the CFR, all the education regulations, and the book is obviously vast, and that pretty much typifies what has accompanied those Federal dollars.

You can take the chapter 1 portion, and you will see the regulations that have accompanied the chapter 1 dollars.

My point is very simple. We have created in our Federal intent to improve education a situation where we have usurped control of education from State and local levels, but also from the most fundamental level, and that's from parents, so we ought not to be surprised that as the decisions regarding children's education are made further and further away from parents that parents have necessarily become less involved, and less responsive to the problems.

I think that the solution lies in a comment that Thomas Jefferson made that I would like to just very briefly quote:

> I know no safe depository of the ultimate powers of the society but the people themselves, and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform them of their discretion.

I would say that what has really happened in public education over the last several decades has been we, as a people, bureaucrats

I should say, have basically stated that people are incapable of making basic decisions, and I find that an alarming contradiction inasmuch as we believe people are capable of electing their elected officials, but they are incapable of making fundamental choices with respect to how their educational dollars ought to be spent.

Those of us who are concerned about what has happened examined the last several decades of education and found that there are two programs that offer a Federal commitment to education without stripping parents of any type of discretion. Those were the Pell Grant and also the GI Bill. Both use vouchers. Neither has been criticized for undermining public education. In fact, to the contrary, I think that they have improved public education, and I would argue in the sake of time, that you cannot make any argument that is an attack on the TEACH Bill that would not be equally applicable to Pell Grant or the GI Bill. I've had a number of individuals say there is one difference. The recipients are different. In one case, we're dealing with children, and in the other case, we're dealing with adults. I would say that is a superficial examination of the various bills, because in all cases, parents are making the decision, or adults are making the decision. So, if anything, if that's typical of the type of arguments, we are not really looking at it. One last point I would like to make, Mr. Chairman.

Chairman **Hawkins**. I'm sorry to interrupt, but we gave you, I think, generous opportunity to present some views, but we do have an agenda this morning. It's unfortunate we must comply with time restraint.

Mr. **Swindall**. At this point, I'll yield back the balance of my time and hope to reclaim at some point in the future.

Chairman **Hawkins**. I certainly pledge to you that we'll give you the opportunity to come back before the committee. Other coauthors of the bill have asked for time also. We have tried to include them, and we will accommodate all of you. What we are trying to do is accommodate a very busy Secretary of Education and some others who do have a time constraint, and I would appreciate your cooperating with us. The Chair recognizes Mr. Armey.

Mr. **Armey**. I thank the Chair for recognizing me. Mr. Secretary, I've listened very intently over a considerably length of time, and I'm a little puzzled by what I hear. It seems inconsistent on one hand for so many folks that have spoken this morning to praise the current public school chapter 1 performance, and then express a fear that the parents, if given a voucher and a choice, will desert those programs for others.

I wondered if it's possible that I missed something in 3821. Is there a provision in 3821 that says the parent can only have the voucher if the parent agrees to take the child out of the program the child is currently enrolled in?

Secretary **Bennett**. No, sir, no such provision. I agree with you. And, again, I tend to think that most choice will be made within the public school system, that an awful lot of exercise of different choice will, in fact, not be made. Where the program is effective and good, people will stay. Where it's not, they may decide to choose another school. The point is not to hold any child captive to a bad educational project.

Mr. **Armey**. I was sitting here watching you buck up, as it were, and I was a little bit amused, because the last time I saw you before this committee, we were dealing with the Pell grants and other Federal funding programs, and I recall at that time, you received a bit of a scolding because you didn't seem to appreciate greatly enough the right for every child to have the right to attend the school of his choice. Now you come back here with a program designed to give every parent the right to put their child in the school of their choice, and you seem to be still getting a scolding.

I find that somewhat ironic. Really if you get right down to the heart of the matter, the question is really who shall choose the child's education, isn't it, the child's parents or the educational establishment? Isn't that really what this is all about?

Secretary **Bennett**. That's a lot of what it's about, yes sir.

Mr. **Armey**. In that regard, let me ask you, obviously yourself and your agency and Mr. Swindall and other Members of the Congress have expressed interest in pursuing this sort of freedom of choice for parents with respect to youngsters' education, can you tell me what signs of interest you see in educational choice elsewhere?

Secretary **Bennett**. Sure. As I mentioned in my statement, this is an issue whose time has come. It's almost a boom issue. We see choice being considered all over the country by Democrats and Republicans alike. There was a great degree of interest in choice at the National Governors Association meeting this last weekend. We had a couple of people from our department testify. I talked about it with the Governors, and they're right there. They have schools, they understand that parents want choice, and so they are considering a number of plans.

But, there are already choice plans in effect in Seattle, Minneapolis, Cambridge, Massachusetts, Harlem. It's possible to ignore this issue and to say, let's talk about the defense budget, or let's talk about something else, but the American people are talking, the Governors are talking about it. School superintendents like this gentleman in Harlem are talking about it, and I think it would be good if the Congress of the United States talked about it seriously too, so as not to fall behind the American people.

Mr. **Armey**. Well, you know, we look at the history of civil rights legislation in the United States and some of the experiments we've had, such as bussing and so forth, and we've always ended up all too often with interagency quarrels in terms of which government agency, the courts or whomever, will determine where the youngster goes to school.

It seems to me that the goal was always to provide for every youngster the right to attend the school of their choice, and it seems to me that this bill would be an extension of that goal beyond whatever we've been able to accomplish to this point.

Secretary **Bennett**. It's remarkable what happens when you give parents greater choice. I've been visiting schools this fall—nearly all of them public schools, by the way—and I've actually been in the classrooms teaching children. It's been a very invigorating experience.

In the course of these visits, I've been in more than one school district that has choice as part of it, and it's very interesting to see what happens. I've long said there's nothing wrong with a bus, and parents don't really object to buses, but it makes a big difference to parents whether they decide to put their child on a bus or whether somebody tells them they have to put their child on the bus.

Now one of the things we've seen with choice is that it encourages more movement around the city, more movement around a district. In other words, you are seeing more integration as a result of choice plans, not less—and that this is a good thing. This, moreover, is choice and enhanced integration that's being exercised voluntarily: people are saying we want to do this.

This is, I think, very encouraging. Last Friday I was at a dinner with the Associate Superintendent of the Houston Schools, Mrs. Bryant. They have 80 magnet schools in Houston, and she said that there has been an increase in morale among the school personnel—not just the parents, but among the school personnel—because students come there willingly, because parents choose that school. It has made their educational opportunities much more significant.

Chairman **Hawkins**. Would the gentleman yield?

Mr. **Armey**. Yes.

Chairman **Hawkins**. Just to clarify one point. When you mentioned choice and all the examples that you give, would you distinguish the choice where a voucher is involved and one which is internal adjustment within a school district, because it seems to me you are interpreting decisions made by a school district to have a magnet school or to have open enrollment and things of this nature as being analogous to the voucher proposal that is before us.

These examples do not, from what I understand of the examples you've given, include the use of a voucher. Now it's the voucher proposal involved in these movements that some of us seem to have trouble with, and not just a choice to send a child to a magnet school, let's say, or to try to get a child in one school in a particular school district, because they think that's a good school. That is not the type of choice that we object to, and I think a distinction should be made.

Secretary **Bennett**. Well, there are distinctions and there are distinctions. In some ways, vouchers and magnet schools are different, and in other ways they're not. A voucher, like a magnet school, is a means of choice, they are to borrow from the biologists, different species; but they're the same genus. And we do see examples of choice, based explicity on vouchers at the State level, too. Governor Lamb's proposed Second Chance Program gives students who have had a bad time in the public schools with disciplinary problems and the like an opportunity to advance their education at a private school through the use of a voucher. This and other similar State programs are very close to the kind of thing we're talking about.

Chairman **Hawkins**. If the State legislature or Governor or a school district wants to go ahead and use a voucher system, there's nothing keeping them from doing it now.

Secretary **Bennett**. Right.

Chairman **Hawkins**. The fact is since 1960, they have had the opportunity and have not done it, and that is the essence of what we're talking about. Having been given the opportunity to have a voucher system, they have not done it, and those that have done it, have repealed the voucher proposal.

If we want to get into the history of it, they're not operating anyplace at the present time, because they've been repealed. It's an old idea whose time came and went 200 years ago.

Mr. **ARMEY**. Mr. Chairman, may I reclaim my time?

Chairman **HAWKINS**. I'm sorry. That's not out of your time.

Mr. **ARMEY**. I do understand, Mr. Chairman, how much you care about this, and I respect that. So I'm very happy to be patient with you, given the dedication that you show.

One of the things that I think we should really zero in on, and I think this becomes a very important question. I've had my own tradition, my own personal history with the educational establishment and have not come away from it totally enamored with the commitment to the youngsters' education as opposed to their own job security that I find by members of the education establishment, and isn't that really something that we might be able to respond to here, that is by giving the voucher to the parent, giving the choice to the parent as opposed to giving the voucher or the funds directly to the educational establishment in a continuation of their ability to dictate the terms of the youngster's education?

Secretary **BENNETT**. Yes, sir, it's fundamental.

Mr. **ARMEY**. And that's important to me. I've discovered from other studies that I've seen, including materials coming from outside your office, that most of the participants in title 1 are individuals, youngsters who have the physical, racial, sexual characteristics that have been arbitrarily defined as minority by the legislative process, so there is no way statistically we can discuss this option and ignore that fact which was a point that came up earlier, and I think we ought to be realistic about that. But, I've also been particularly impressed with the observations that have been advanced, for example, by Thomas Sowell, and in regard to that, could you tell me, recognizing that this is a clientele that we're dealing with, that have been placed into these categories, who are the stronger supporters of this proposal, and do you have support from those members of the constituency that have been arbitrarily placed into that designation?

Secretary **BENNETT**. Yes Mr. Bauer has been talking with a lot of community groups and others, and I'll let him answer that one if its all right.

Mr. **BAUER**. Congressman Armey, I think the most accurate description we can give of who supports this concept is based on the 1985 Gallup poll that showed among parents with children in school, the voucher concept was favored 51 to 40 percent. Among blacks, the support was 59 percent to 26 percent. Among central city residents, 53 to 32 percent. Among people living in communities of a population of one million or more, 54 percent in favor, 30 percent against. Younger citizens, the ages 18 to 29, support is 55 percent to 31. So we think there is quite a base among the people who would be most impacted by the proposal, in support of it, and it' s one of the reasons that we have moved forward in spite of the opposition we've gotten from some of the educational establishment.

Mr. ARMEY. So this would really be a case where I could construe that the agency is responding to the American people?

Secretary BENNETT. Yes.

Mr. ARMEY. I do have one or two points, Mr. Chairman, and I appreciate that we do all want to move on, so I'll move on quickly too.

Could you give me some thinking in terms of the broader, underlying principles regarding this? Obviously everything we do will have a tendency to sort of set the stage in terms of responding to a national concept of legitimate role of government or whatever? Do you have any thoughts along those broader lines?

Secretary BENNETT. Well, I think that by saying in this proposal that we want to aid students by respecting the most important of local authorities—by parents—we're making a point, both philosophical and political, about where responsibility ultimately rests in a society of free citizens.

The other point we're making is a rather specific educational one. We know from the research—it's quite plain—that the more degree of involvement there is on the part of the parent, the better the child's chances to get a good education. The child's achievement and the parent's interest are related.

Our proposal is an invitation to parents to get involved in an important decision. We think the more they're involved and the more they invest in that decision by making important choices, the more likely they'll be to invest in follow-up action. I mean if I'm a dad that makes a decision about the school my daughter attends, I have an interest in seeing that I've made the right choice, and I have an interest in trying to encourage my child to do as well as she can.

Mr. ARMEY. I have one other point. I'm sure I can guess, but do you mind telling me from your understanding who are the primary opponents of this legislation?

Secretary BENNETT. Generally, the education establishment. The National Education Association, for one, is opposed. Gary, do you know of any others?

Mr. BAUER. Yes; across the board most of the groups in town that represent the public school establishment are, not surprisingly, against, because this would add an additional element of competition, I think, for some children.

Secretary BENNETT. Let me come back. There is opposition, but let me say this. I think there is more serious conversation among some of the education establishment than there has been in some time. People have said to me, look—we're not opposed to the idea of choice. Some people are going so far as to say, look, we think there should be the maximum amount of choice within the public sphere; just don't let private schools get involved, it causes additional, unnecessary problems. And I say private schools already are involved; you can't leave them out. But regardless of this difference, I think there is more openness and receptivity to this proposal not only in the American public, but among some elements of the education establishment.

I've even had some tell me privately that they think it's a great idea, but that it would be difficult for them to say, so publically. So I think that, again, it's an idea whose time I think has come. We're going to see more of it. I think Congress should act on it so it isn't, as they say, blocking the halls on important educational reform. You have to remember that the education establishment tends to react in a reflective way—initially resisted teacher tests. It resisted merit pay. Some elements of the establishment resisted the whole educational excellence movement, saying that it would destroy equality. So their initial opposition is not unusual. We look forward to working with them.

Mr. **Armey**. So then we can say the primary opposition comes from the largest teachers union in America?

Secretary **Bennett**. I would think it not unfair to say it's strong opposition from there.

Mr. **Armey**. And it is an organization of teachers, not parents and not students.

Secretary **Bennett**. But, again, I think if you polled the teachers themselves—not the leadership of the teacher organizations, but the teachers themselves you'd find more support for this project than if you polled the leaders of the education establishment.

Mr. **Armey**. I'm not surprised. Thank you. Thank you, Mr. Chairman.

Secretary **Bennett**. Teachers, by the way, exercise a lot of choice themselves in where they send their children to school.

Mr. **Armey**. I appreciate that, and thank you, Mr. Chairman.

Chairman **Hawkins**. Mr. Ford?

Secretary **Bennett**. We've got the charts, Mr. Chairman, if you want them.

Chairman **Hawkins**. May I verify, Mr. Secretary, whether or not time permits staying until 1 o'clock or not?

Secretary **Bennett**. Sure, that's fine.

Chairman **Hawkins**. We will have an interruption, but we will reconvene after the interruption.

Secretary **Bennett**. Are you going to get us a sandwich?

Chairman **Hawkins**. Well, you've deprived me of a sandwich.

Secretary **Bennett**. Yes, sir, my fault.

Chairman **Hawkins**. Mr. Ford?

Mr. **Ford**. Thank you, Mr. Chairman. Mr. Secretary, I'm sorry I couldn't be here for the earlier part of your testimony. I was upstairs presiding over my own committee while we heard some of the education establishment and bankers and other kinds of special interests discussing the budget that OMB had you send over to us for higher education.

Secretary **Bennett**. Right.

Mr. **Ford**. I'd like to ask one question. We have to break very quickly, and maybe if you can't answer it, you can ponder it while we're on the break, can you define for me what a title 1 parent is? I know what the language in here says, but in practical application, how do you look at somebody or a list of some kind and determine prior to the time that school starts in September who a title 1 parent is?

Mr. **Bauer**. Well, Congressman Ford, right now the local school district engages in a process of testing of children, and those children who score below a certain level are identified as being educationally disadvantaged, and thus the parents of those children would be chapter 1 parents.

Mr. Ford. That's kind of interesting, because that's not true. What happens is that if a child is reading behind its peer group, it may end up in a remedial reading program funded by chapter 1. It might be doing fine in everything else except reading. That same child on the other hand might be having trouble with math, and he could end up in a remedial program for that. It is not until the child enters a classroom within a chapter 2 school that's been designated by actually census statistics on the basis of where people were in 1980, not where they are today, that that child becomes a title 1 student of the hour or day that they're in that remedial reading program.

Now does that mean that if one of my children, assuming my income is something better than a school janitor, is enrolled in school and is having reading problems and that school determines they will put my child in the remedial reading program, that I would then become eligible for a $600 voucher to send the child to some other school?

Mr. Bauer. Whatever the school district is spending on average on the children they've identified as chapter 1 children, you would be eligible as a parent to receive the funds being spent directly.

Mr. Ford. But you do understand that the public now has the idea that somebody can look at figures here in Washington and tell us who title 1 parents are, and no one even knows in a school district until after school starts, children are assigned classes, and they end up for some part of their day in a chapter 1. There is no separate classroom for chapter 1 children who have a tag attached to them saying you're poor, you're minority, you're anything else. There is no relationship between the formula that distributed money from Washington down to the county level and the identification of the people who are going to participate.

Now, at this point, the public, and I'm sure a lot of the Congress believes that somebody can determine who a chapter 1 parent is while they're exercising this choice in the summertime, and they can say instead of enrolling my child in this chapter 1 school, I'm going to take him over here to private school or to another public school.

Indeed, you'll have to amend chapter 1 if you contemplate that happening, because we now require that rather that the school district simply saying all of our schools are chapter 1 schools, they will designate specific schools within the district that have a relatively high percentage of statistically probable people who will need extra educational help, not specifically people, but statistically probably will have it on the basis of the people who lived in that school attendance area at the time of the previous census.

Now, how does that parent have a chance to exercise any choice if they don't discover they're a title 1 parent until after the child is in school and in the class?

Chairman Hawkins. The chair would have to interrupt now. You ponder the question, and the committee will take a 5-minute recess. We will come back, and the Secretary probably will not go until one, and we'll give you the opportunity to explain that rather fascinating chart that you brought over.

Secretary Bennett. Fine.

Chairman Hawkins. A 5-minute recess.

[Recess.]

Chairman **Hawkins**. Come to order. When the committee recessed, Mr. Ford had propounded a question, I believe, to the Secretary, and at this time, if you can recall it, Mr. Secretary or Mr. Bauer, would you kindly respond?

Mr. **Bauer**. Congressman Ford, I will submit a detailed explanation for the record, because it is rather long, but I'm informed by the staff that works on chapter 1 that, in fact, contrary to what was said, most of the chapter 1 children are identified in the early spring through a variety of testing techniques, and there would be no reason that a school district could not continue to do that, and, in the early spring, notify the parents of those children that their children are going to qualify for special services in reading or math or whatever. Yes?

Mr. **Ford**. In other words, sometime this spring, they will determine that if the child returns to that school next fall say in the third grade that they will go into a remedial reading program?

Mr. **Bauer**. Yes.

Mr. **Ford**. That sounds like a reasonable possibility. How does that school know that it's going to have a remedial reading program next fall?

Mr. **Bauer**. Well, I think in the weeks that follow, the school district will take a look at the choices that parents are opting for. I think that what we'll see is a thousand flowers blooming, if you will, that a school, for example, a public school that now has a large number of chapter 1 children, realizes that the parents are now going to have some——

Mr. **Ford**. No, no, potentially every child in a chapter 1 school is a potential chapter 1 child, but not ever school in a school district is a chapter 1 school.

Mr. **Bauer**. Right, but the school district——

Mr. **Ford**. How do we determine what a chapter 1 school is?

Mr. **Bauer**. The school district will continue to identify chapter 1 children.

Mr. **Ford**. No.

Mr. **Bauer**. Yes, they will.

Mr. **Ford**. No.

Mr. **Bauer**. Why not?

Mr. **Ford**. That's not how we determine a chapter 1 school.

Mr. **Bauer**. In some cases we do, and some cases, we don't. Under our voucher proposal, the school district is directed to identify those children who are scoring below their peers in various subject areas, and to notify the parents of those children if those children are eligible for remedial services.

Mr. **Ford**. Those children scoring below the average who are in a chapter 1 school?

Mr. **Bauer**. Any of the children that the LEA has identified as being potential chapter 1 children and then test out as being below their peers will be identified as chapter 1 children.

Mr. **Ford**. Maybe I'm not making myself clear.

Mr. **Bauer**. Perhaps I'm not.

Mr. **Ford**. In my hometown, there are probably 25 elementary schools. Maybe 10 of them are chapter 1 schools. Now, how do we determine which 10 of the 25, or in the city of Detroit, which 200 out of 500, how does chapter 1 now determine what a chapter 1 is?

Mr. **Bauer**. I'll ask Mary Jean LeTendre of our chapter 1 staff to elaborate please.

Ms. **LeTendre**. Mr. Ford, under the voucher proposal, the Chapter 1 school would be identified as it is currently identified. School districts use census data regarding poverty, or they may use AFDC data, free school lunch count data, in order to determine the areas that have the highest concentrations of children from low income families.

The schools are then ranked, and there are some options. Any school that has more than 25 percent, 25 percent or more of their students from low income, are eligible for participation in the chapter 1 program. The school district, probably prior to that time, has done an overall assessment based on trends and records looking at where needs are, and for the most part, as you know, they're in the basic skills areas. Seventy-five percent of our students receive help in reading and about 45 percent in math, and that's because there's some overlap in students. Some may be receiving both services.

Mr. **Ford**. And there are very few high schools in the country so designated?

Ms. **LeTendre**. There are only about 6 percent of the high schools that would be participating in the program.

Mr. **Ford**. We we're not talking about here a voucher that would be available to very many people to select an alternative high school?

Mr. **Bauer**. It's 90 percent, I think, of our chapter 1 students.

Ms. **LeTendre**. Ninety percent are in grades K through eight.

Mr. **Ford**. I think that number is a little low, because there are very, very few high school programs, unfortunately, but it's because the money keeps getting shorter.

Ms. **LeTendre**. I think it's because some school spans are different in terms of middle school. It depends on how you define the high school. Our statistics show K through eight, 90 percent.

Mr. **Ford**. Have you talked to any of the people who developed the personnel requirements in attendance areas for large local school districts like New York or Chicago or Detroit or Philadelphia to determine how they are doing this now in Los Angeles? In Los Angeles, as I recall it, Mr. Chairman, the superintendent told us that the way they determine which schools currently have the low income children is by but a hand count of the public assistance cases.

They don't know which children are on public assistance, because that's irrelevant.

Ms. **LeTendre**. That's true.

Mr. **Ford**. But they know that *X* number of public assistance school age children live within a particular school attendance area, and on that basis, they decide that that school attendance area ought to have the money. Once the child arrives at school, it doesn't matter if they're on public support, or the wealthiest child in Los Angeles if they are reading generally an average of two years behind their peer group. They will go in or be eligible to go in to a title 1 reading program.

Ms. **LeTendre**. That's correct.

Mr. FORD. So then at that point, if the child, you suggest they might test him this spring, if a child in that public school is tested and is 2 years behind in reading, and it's determined that if he comes back to that school next year, he will have remedial reading, the parents will be informed that they have a right to a voucher to select another school?

Ms. LETENDRE. To select another school or another program.

Mr. FORD. Do the parents have to use the voucher to take them to a school that has a title 1 Remedial Reading Program?

Ms. LETENDRE. They wouldn't need to. It would merely be a transfer within district. There would be really no transfer of funds in that situation, so it would be whatever type of recordkeeping the school would like to apply in that situation, they could.

Mr. FORD. Why wouldn't there be a transfer of funds?

Ms. LETENDRE. If the school district generally maintains an account for Federal funds, chapter 1 funds or in that account, and whatever accounting procedures are in place in the district normally do not give actual disbursements to individual schools. It remains in a central account.

Mr. FORD. Then if they made a choice between schools in the same city, for example, or the same county in those States like the States adjoining us here now, who have a countywide system, there wouldn't really be a voucher or any money changing hands between the parent and the school, would there?

Ms. LETENDRE. You indicated between chapter 1 schools. That's where I indicated there would be no transfer of funds. There could be, depending upon what the tuition charge was, or compensatory service charge, if you went outside of the school district. It no doubt would be necessary that there would be some transfer of funds in that situation.

Mr. FORD. So you don't really have a voucher transaction take place when there's a movement from one public school to another in the same school district?

Ms. LETENDRE. Not really. It's a matter of semantics, I guess.

Mr. FORD. Now, does this bill purport in any way to give the parent the right notwithstanding any desegregation order entered by the court or the State and local law with respect to compulsory school attendance and school attendance areas to go to another school in spite of those State and local laws? Do we attempt in anyway to interfere with the right of the school district to say everybody on the westside of Main Street will go to this grade school, and everybody on the eastside will go to this grade school? That will still happen, won't it?

Ms. LETENDRE. The state and local laws would prevail.

Mr. FORD. So the voucher does not purport to give a parent a choice that does not now exist under State law?

Ms. LETENDRE. Under State and local law, you're right.

Mr. FORD. And that would also apply, in my own area, I can think of two school districts where the difference in the per pupil expenditure is probably $1,800 a year, one all white upper middle class and one predominantly black, and you don't mean for those people in the low per pupil expenditure community to believe that they can take their voucher and go to the other, in the eyes of the people, the preferable school district because it spends more money and has nicer buildings and does all those other things? That's up to them? If the school district will take them they can take their voucher there?

Ms. **LeTendre**. That is correct.

Mr. **Bauer**. Congressman Ford, don't assume a static universe. Again, what we think would happen is if the parents had this kind of opportunity, you would see in those low income areas some creative attempts to come up with remedial programs that are better than the remedial programs now. For example, a student receiving chapter 1 services could stay in the public schools.

Mr. **Ford**. But you see, if the parent is just generally disappointed that their children are attending what they consider to be, compared to other areas around them, an inferior school system, it isn't likely that the motivation for them to want their children to attend another school or school district centers around a remedial reading program. It's much broader than that, so what you're saying is that the people would be making a choice.

Those folks out there who have been enamored of this plan, they don't think that they can only make a choice to go find the remedial program for their child. It's a way to get some money to go someplace else, isn't it?

Mr. **Bauer**. Congressman Ford, this sounds a little bit like, if I may, the Chairman's argument earlier, that the problem with our proposal is that it's not providing enough choice. I'm willing to be criticized from that direction.

Mr. **Ford**. No, the problem with the proposal is that there is an element of fraud involved in telling a constituency of parents out there who are concerned about non-public school children and their tuition costs, that now you're not going to push forward for their tuition tax credits, but we're going to throw you a bone, and we're going to give you a plan that nobody who has looked at it and knows anything about the operation of these programs, such as those the Secretary characterizes them as teachers unions, and the PTA. I guess that's a special interest group, school boards, State legislators, school administrators, and parents who are active in the affairs of their school.

They have a lot of problems out there, but when you try to walk them through this thing, they say, well, that can't work in our community. That can't work in our city.

Mr. **Bauer**. Well, I've tried to walk them through it, instead of someone else, and when I've done that, they've been very supportive of the idea.

Mr. **Ford**. Well, you're not walking me through it. Walk me through how it works in a multi-district county in an urban area.

Mr. **Bauer**. It will work in a lot of different ways, Congressman Ford, not all of which I think we can contemplate without the program being tried. You know, we came up here a couple of years ago with a test proposal. All we wanted the Congress to do was to allow the local education agency, if it desired to, to voucherize its Chapter 1 Program. We assumed that if the Congress passed that, that maybe six out of 16,000 school districts might actually give it a shot, and we would have actually had some real live results that we could talk about as to whether it works or not.

But, you all didn't give us the time of day on that proposal.

Mr. FORD. Let's take a look at the numbers that are being thrown around. The news media out there has reported that you people from the Department have been saying that every, quote, title 1 parent will be entitled to a $600 voucher approximately for each title 1 child.

Mr. BAUER. No, it's the average.

Mr. FORD. That's the average?

Ms. LETENDRE. That's the average.

Mr. FORD. Well, I'm looking at educational choice here, and in Michigan, it comes out to $226 for a possible State comp ed voucher and $729 estimated chapter 1 voucher.

Mr. BAUER. All right.

Mr. FORD. I look at the national per pupil expenditures which this year were $3429 per ADA. Under chapter 1, we distribute money to the states on the basis of one-half the state per pupil expenditure or one-half the average per pupil expenditure in the Nation, whichever is higher, and that's because there are a number of States particularly in the Southeast that are way below the national average in the amount spent on each child, so we give them an extra buffer in the formula.

Now, with a cost averaging, across the country of $3,429, you feel that this will generate $600 toward that cost? This is just public school, not private school, public school.

Mr. BAUER. Congressman Ford, why wouldn't it be possible to imagine that a school district or a particular school or particular creative principal will say, I can teach remedial reading after school to your child for $650? You can leave your child in the current public school, but after school, bring your child to me, and for $650, I'll bring his reading up to speed.

I think that under this kind of proposal, we'll see a lot of creative approaches by local school officials who are very creative people.

Mr. FORD. But now you're not talking about taking the voucher to a private school. You're talking about taking it to a tutor?

Mr. BAUER. That was the premise of your question, sir. You said you're not talking about private schools, you're talking about public schools.

Mr. FORD. No, I gave you numbers for public schools, and incidentally you'll notice that I have talked about private or nonpublic schools, just as everyone here who has talked about this program since its conception and birth in this committee room 21 years ago. Never before today did I hear anybody come in here and blatantly make the contrast between Catholic and public schools that has been made more than once from that table.

Secretary BENNETT. What was the contrast?

Mr. FORD. You talk as if you're only talking about one kind of nonpublic school.

Secretary BENNETT. No, I said—no, no, I said it was important—

Mr. FORD. How do my so-called Christian academies in my district react to that?

Secretary BENNETT. I was asked why I kept using that example, and I said for the very good reason that 90 percent of our chapter 1 students who are in private schools are in Catholic parochial schools. It's a sensible point of comparison.

Mr. **Ford**. What percentage of private school students, if you include *all* the private schools, not just the parochial schools, Catholic, Lutheran, Hebrew day schools, if you take them all in, how many chapter 1 children are there?

Secretary **Bennett**. How many chapter 1 children? Maybe 220,000.

Ms. **LeTendre**. About 220,000.

Mr. **Ford**. You know, the competition to the private parochial school in my district is no longer coming from the public schools. Every fundamentalist church in my district now has a Christian academy, kindergarten to sixth grade, kindergarten to eight grade. Bring your children here, and they will have a proper Christian education. Since the non-Catholics outnumber the Catholics considerably, this has been an opportunity for them to escape the public schools into a Christian religion that is not oriented toward a religion that's not their own.

Now, how do you know who's in those schools?

Ms. **LeTendre**. I don't know. Any child who lives within——

Mr. **Ford**. You just gave me a number of 200,000, and I'm asking all nonpublic schools, and you said 200,000.

Ms. **LeTendre**. We estimate, because we do not ask for information on the basis of religion. We estimate that about 94 percent of the students who are in chapter 1 are attending parochial schools. There are a few who attend schools other than Catholic schools. There are some other types of schools that children attend but very few are nonreligious schools.

Every child who has an opportunity to participate must live in one of the attendance areas, and States report data on nonpublic school participation. We do not nor are we required to, ask them the denomination of the child, so we can't tell you exactly.

Mr. **Ford**. Well, it would be very interesting for us to find if there is any kind of a statistical basis you can work from because there isn't any agency either at the State or National level that keeps track of that that I'm aware of. If you know of one, we'd like to know about it.

Now, counsel is here. Mr. Willkie, I've looked at this language starting on the bottom of page 7, and this is a new one for us.

> A voucher is not Federal assistance. Payments to a private eligible educational institution or to a public elementary or secondary school located outside the school district in which the eligible child resides made by parents with funds provided by a local educational agency in exchange for an educational voucher redeemed by a parent under this section shall not constitute Federal financial assistance to the private educational institution or public elementary or secondary school receiving such payment, and the use of such funds by such institutions or schools shall not constitute a program or activity receiving Federal financial assistance.

What does that mean?

Mr. **Willkie**. We took this provision word for word from the consensus that was developed in the Senate Finance Committee in 1983 in marking up the tuition tax credit proposal. This provision and the civil rights provision in the bill were negotiated between, as I understand it, Senators Dole, Packwood, Bradley, and Moynihan.

Mr. **Ford**. Is it your view that this committee or any other committee can by legislative fiat with language like this say to the courts of this country that this kind of Federal aid is not Federal aid?

Mr. WILLKIE. Yes, sir. The courts obviously are free to arrive at a different conclusion, but, for example, in the Grove City case, where the Supreme Court found——

Mr. FORD. The *Grove City* case was interpreting a statutory provision with respect to sex.

Mr. WILLKIE. Precisely so, precisely so, and in this case, we think it is within the province of Congress to determine whether voucher funds, tuition tax credits, whatever, would be denominated Federal financial assistance or not.

Mr. FORD. Aren't most of the school cases determined on the basis of the United States or the State constitutions?

Mr. WILLKIE. I'm sorry?

Mr. FORD. Aren't most of the landmark school cases decided by the courts on the basis of constitutional provisions, either in the U.S. Constitution or the State Constitutions?

Mr. WILLKIE. Yes, that as well as title VI of the Civil Rights Act and other statutory provisions.

Mr. FORD. Then you would intend that this means that title VI of the Civil Rights Act would not apply to these funds?

Mr. WILLKIE. That is correct.

Mr. FORD. And title IX would not apply to these funds?

Mr. WILLKIE. That is correct.

Mr. FORD. Education for the handicapped would not apply to it?

Mr. WILLKIE. That is correct.

Mr. BAUER. Which is the status quo, Mr. Ford.

Mr. FORD. Bilingual education would not apply to it?

Mr. WILLKIE. That is correct, but the bill would not in any way limit the reach of those statutes otherwise.

Mr. FORD. The only enforcement mechanism that has ever existed is what was once called the Powell amendment on this committee and later became title VI of the Civil Rights Act of 1964, the withholding of funds for the practice of discrimination.

Can you say you're not attempting to interfere with the operation of the law?

Mr. WILLKIE. Yes. Those statutory provisions would continue to apply as they do today to private schools that otherwise receive Federal financial assistance.

Mr. FORD. But what if the private school receives no other Federal assistance than this? You're saying that none of these laws would then apply to it, because of receiving this money, isn't that what you're saying?

Mr. WILLKIE. That is correct. We have a separate civil rights provision in this bill.

Mr. FORD. Why don't we simply repeal those provisions with respect to private schools?

Mr. WILLKIE. We are not proposing that. We wouldn't recommend that.

Mr. FORD. Why don't we do this with all of the title I, chapter 1 funds, not just the vouchers? What's the wisdom of a policy that says that this is a way to deliver money so that it no longer is Federal money by legislative fiat, it's something other than Federal money?

Mr. WILLKIE. Because if the sole source of the Federal funds is the voucher, you're typically talking about small fledgling institutions. The question is whether it's appropriate to impose all those administrative and recordkeeping burdens on those institutions which would otherwise——

Mr. FORD. The burden is imposed if they participate in title II, isn't it?

Mr. WILLKIE. That is true.

Mr. FORD. And it's imposed if they participate in the school lunch program?

Mr. WILLKIE. That is true.

Mr. FORD. And it's imposed if they participate in any of the other programs?

Mr. WILLKIE. That is true. They have to decide whether they want to play by those rules.

Mr. FORD. And then it would be your view that all of the application of *Grove City* would come into effect, and if that child was being discriminated against or in favor of that child, it couldn't be reached, because the only money it was actually receiving as direct aid was this?

Grove City has a very interesting proposition as you recall, that if you only apply the Civil Rights Act to specific activities funded directly by the Federal funds.

Mr. WILLKIE. Sure, and we have proposed legislation to overturn that decision.

Mr. FORD. I guess you have as a matter of fact. You clearly believe that we have the right to legislate in this fashion an exemption from all of the other imposed statutes?

Mr. WILLKIE. I don't see why you would not. In the first part of the *Grove City* decision, as I understand it, the Supreme Court found that Congress intended that Pell Grant funds should be construed as Federal financial assistance, and that was the construction of legislative intent on the judiciary's part.

Mr. FORD. They found that we determined that Pell Grants were Federal assistance?

Mr. WILLKIE. Correct.

Mr. FORD. I missed that.

Mr. WILLKIE. It's the first part of the Supreme Court's decision in the *Grove City* case, because *Grove City* had argued that the redemption of Pell Grants did not in and of itself constitute Federal financial assistance, and the Supreme Court held that the intention of Congress was otherwise.

Chairman HAWKINS. Mr. Ford, could I interrupt and have Mr. Henry?

Mr. FORD. Just one further question, Mr. Chairman. Your next paragraph is, "Voucher funds are not taxable. Payments received by parents under subsection C-2 shall not be subject to Federal, State, or local income taxes." Can we usurp the power of the State and the local units of government to tax income?

Mr. WILLKIE. Yes, sir, you may, by virtue of the supremacy clause.

Mr. FORD. Have we ever done it?

Mr. WILLKIE. I'm sure that you have.

Mr. **Ford**. Do you know of any precedent where we say you can't tax income, because we're taxing it?

Mr. **Willkie**. I think food stamps would be one example.

Mr. **Ford**. So you would put this in the category of public assistance that is given to someone, and we specify that for the purpose of determining income, you won't take this into account?

Mr. **Willkie**. I'm sorry, sir, I'm not sure I follow.

Mr. **Ford**. Well, what you're talking about with food stamps does not exempt food stamps per se from the effect of the tax laws in the State. It simply says that food stamps will not be taken into account in determining family income for the purpose of determining eligibility for low-income housing, for public assistance and other things.

Mr. **Willkie**. Right, but I think there are other forms of Federal assistance where Congress has specified that the assistance should not be denominated as taxable at the State or local level. I believe that's true with Pell Grants.

Mr. **Ford**. No, it isn't true with Pell Grants.

Chairman **Hawkins**. Could I get back to you? I promised Mr. Henry who represents a rather strong point of view the opportunity to question the Secretary at this hearing, and we are running out of time. If we have some flexible time remaining, we'll get back to you and to the other members who have not had an opportunity. The chair would recognize Mr. Henry.

Mr. **Henry**. Thank you, Mr. Chairman. Mr. Secretary, I remember about 11 years ago when I was just starting 4 years on the Michigan State Board of Education at that time, the superintendent of public education was John Porter who was widely admired in educational circles, particularly for his commitments to educational quality.

During that time he also served as chief of the superintendents for the 50 States and territories. I remember he initiated our own compensatory education program in Michigan several years before the Federal program began, what we now call, I think, chapter 3 in the Michigan law. I remember him saying over and over again, what do we do about the problem of the poor in terms of educational choice.

I have that choice, you have that choice. Everyone on this committee has that choice. I've made that choice in some interesting ways. Some of my kids go to a public school, some go to a private school. Different opportunities, different appropriate educational methodologies, strengths, and weaknesses. That's really what we're talking about. I can make that choice, because I have the wherewithal to do it. Many middle-income families can do it, but there are some people who can't. They can't choose a private school, or they can't afford to move into another school district.

Equality of opportunity is obviously critical here. At the same time, as you know, I have expressed publicly some concerns about your proposal, and am trying to develop either with you or if need be, without you, an alternative that tries to address this issue, but avoids, I think, some of the problems that have been touched on. Mr. Ford was certainly correct in identifying one of them.

How can we wrap this proposal in the name of equality of opportunity while at the same time circumventing the Civil Rights Acts which attempt to achieve equality of opportunity. When Mr. Bauer tells us he's in front of a local market, and people are excited about the equality of opportunity that's being offered, I suspect they would be a little less excited if they knew the Civil Rights Acts that guarantee the access that the voucher promises might not be offered. For symbolic reasons, as well as substantive reasons, quite frankly, I think you hurt yourself tremendously by not addressing this. I understand you feel that you have addressed it because of the tuition tax credit approach. I would simply say, however that a tax credit is very different from a Government voucher and grant. There is simply no guaranteed appeal for remedy, even in racial issues. It's absolutely too discretionary.

A couple of other administrative questions, and I know the chairman would be willing to look at this issue philosophically, I know that from conversations with him, but there's too many practical, operational questions that you haven't touched. I'll call them who, how, what, where, and the how means how much. Who gets it?

Mr. Ford presented one of the dilemmas of the current compensatory education system. I can be a child who desperately needs that kind of service but because I'm in a public school district that doesn't fall in the right census tract, I don't get it.

The counter can also happen. I can be a kid who doesn't need it, who lands up getting it, because the school district throws everyone in the census tract into a compensatory education program, which may be the worst possible thing for a kid who doesn't need it. One of the attractive features of the voucher approach is that it's targeted at the child, and in that sense remedies this problem. I thought quite frankly you missed something here in terms of an opportunity to sell the program relative to my colleague from Michigan's question.

The next question is how much. When you talk about the different levels, I've got too many people in my district, particularly the private school community who are all excited thinking they're going to get $900 worth for each kid. First of all, my State, and under many States' constitutions, the State moneys couldn't follow it anyway. It would simply be precluded.

The allocations to the States are relatively constant, but the distributions within the States are very different, because what and who they define as being eligible for compensatory education varies widely. Thus, when you say a $600 average, in one State, it's $900, and in another State it's $230, and there's a tremendous lack then of conceptual clarity, and it can be tremendously misleading.

What is it to be used for? It may not go to compensatory education. Now that is a concern. In seeking to remedy the problem of unequal opportunity, you risk on the other hand destroying the concept of compensatory education. I guess the question to me is how do you get equality of education for compensatory services, and I'm trying to see if it can be focused that way. The question of where has to be qualified. The issues I'm trying to deal with have really come out pretty strongly in a lot of the questioning you've gotten. I hope you're going to get back to us on these things to give this thing a chance.

Where are they going to be used? What schools? Are they going to be respecting basically a State educational law in terms of what an appropriate educational delivery system is?

What I have suggested as a possible alternative is trying to look at the concept of targeting children by need and using a voucher, if you will, although I think the term perhaps is creating a lot of political polarization in and of itself, which would offer choice for supplemental educational services which, after all, is what compensatory education is supposed to be.

In fact, it's very clear that compensatory education funds are not supposed to supplant, but in fact, we know they are supplanting. In Michigan, we've struggled over and over again, because school districts became so dependent, in fact habituated to the money, and we also had a tremendous irony in terms of what happened.

The more a school district succeeds in getting kids out of comp ed eligibility, the more it's penalized financially. The worse a school system does, the more money it gets. Now I'm obviously not suggesting that any school district which I know or you know deliberately underperforms for that, but there is no financial inducement or reward for success. We've got to look at that problem as well.

My overall concern, I guess, is to see that compensatory education is put on an equal footing for all kids based on need. I think that's an American principle, it's also good education. You get freedom of choice and competition in the educational system. I think that's good, but what I'm afraid of, because of these who, what, how much, where questions, is that what you're giving us is a voucher that's ill defined in terms of purpose and operation and a compensatory education program that withers in the process, because you haven't held true to the focus. I think we should look at the possibility of a system where a voucher by any eligible student, where someone in a public school could get supplemental education services, extra add-on hours at a private school for example, or someone enrolled in a private school could take a voucher to a public school and pick what kind of supplemental compensatory programming is appropriate to the child in competition there.

I throw these ideas and questions out. I've given a speech and sermon because of the time limits. I don't expect an answer now from you, but I would like detailed answers to those kinds of questions, and I think they're very germane to the questions you were hearing from other people on the committee.

Secretary **Bennett**. Could I respond briefly, Mr. Chairman?

Chairman **Hawkins**. Yes; we have one other, and it's only in deference to your own time, Mr. Secretary, that we have one other member that has not been recognized, so if we're not intruding on you too much, you may just go ahead and answer.

Mr. **Dymally**. I appreciate very much, Mr. Henry, your concerns. You say that if we focus on the who, what, when, and why, I think we could answer these questions. I very much appreciate your good faith in taking a close look at this. I think, just a couple of comments, that many of the concerns that you expressed, and I think a number of the concerns that have been expressed by members of the committee are concerns about chapter 1 itself, not really so much about the voucher, but we're using this occasion if you will as an opportunity to look at some of the problems with chapter 1.

I think that's fine, because we knew we're going to reauthorization next year of chapter 1, and these are questions, a number of the ones that you have raised and others have raised that we think we ought to take a look at. Who's eligible, how do we determine it, the differences State by State and so on, and we're glad to be here, if you will, sort of early on this discussion about chapter 1.

Second, just a general point, again back to the interest in working with us on this, we salute and recognize those school districts that have done an excellent job, Alameda, California and Birmingham and Des Moines, public school districts that have done a superb job in providing chapter 1 services to their children.

Our problem is, and what motivates all of this, and I just don't want this to get lost in all our discussion is the child, the disadvantaged child who is captive to a poor education project, and therefore, we do want to give that child an opportunity that you and I had, that our children have.

It seems to me there ought to be a way to do this, and there ought to be a way to do this that is conscious and respectful, that has proper civil rights protection and is cognizant of the differences between schools and things that we want to do to preserve the differences among some schools.

But, I think we could answer some of these who, what, when and why's, if we could focus on them. I will give you detailed answers to all your questions, and thank you very much.

Chairman **Hawkins**. Thank you. Mr. Hayes?

Mr. **Hayes**. Mr. Chairman, I'm going to be very brief. I appreciate the amount of time the Secretary has taken here with this committee. My own schedule had me running in and out because of my responsibilities to other committees so I couldn't get here in time to raise some of the things I might have raised, but I just feel that based on what I've heard, since I come from a district where the dropout ratio among high school students has already reached the astronomical proportion of better than 50 percent high school dropouts. You said, Mr. Secretary, that one of your prime objectives is to make best occupational opportunities available to all kids.

This gives rise to a question which has bothered me which I'll place in two parts. Does this administration really want to make educational opportunities available to the economically disadvantaged? Have they already categorized these students of these people as expendables, not necessary to our society?

I can't countenance the kind of proposal that's been made and the kind of sacrifice that the whole public education system is being asked to make under these proposals, as we proceed to try to reduce this huge deficit. I think we are hurting people who need the most, and they're going to get the least, and this is what bothers me a little bit.

It may be concluding that they are the expendables, we don't need them any more.

Secretary **Bennett**. I'll try not to respond to that question, Congressman, by what it impugns. If you look at my budget—and I know Mr. Ford will when we talk about it in detail later on you will see that we've held the chapter 1 program very close to level, the chapter 2 program level, and the bilingual education program level, that is, we've sought to maintain the programs that serve the poorest, most disadvantaged people in our society while under the Gramm-Rudman reductions requirements. If you look at our budget to see who's going to be affected most in terms of budget reductions, you will see—as I know I will be told later this spring—that there will be some members of the middle class.

Yes, it will also be argued that the poor are affected and so on. But I don't think anybody can accuse us in our 1987 budget of not being mindful in a time of difficult budget circumstances, of the educational needs of those who are most disadvantaged in this society. If I can say on a personal level, I have been spending time in schools and with many of the children whom you have described. It's been on my time, and I'm glad to have spent it, I don't like the suggestion that we think those children are expendable.

Mr. HAYES. Thank you, Mr. Chairman. I just have to say this in conclusion though. People, either teachers or parents, are considered when surveys are taken as to whether or not the voucher system should be supported which you're pushing, which they'll be hurt the worst under that system. I don't think they in any good conscience could support that kind of a voucher program.

Secretary BENNETT. I'm sorry, I didn't hear it.

Chairman HAWKINS. Mr. Bartlett, keeping in mind with the limited time we have available, we'll do the best we can with you.

Mr. BARTLETT. Thank you, Mr. Chairman, I'll be very brief if I'm recognized at this time. Mr. Secretary and Mr. Chairman, I think it's been a good hearing. My own judgment is that the specific new legislation that you proposed is a good starting point. It is legislation that has been well thought out and is set out to answer the questions that have to be resolved.

This morning, you've heard a lot of the questions raised about the specifics as to how it would work. Of course, those questions have to be raised, because it's a new proposal. It seems to me that what your legislation allows the program or the vouchers to work, allowing maximum decisions by parents, it allows the parents to make many of the decisions, decisions about accreditation, about what school to go to, about whether a student should receive what type of compensatory services. I think frankly that's the right theme to develop, and it should be in the legislation. Is the legislation perfect? No, it's not. As support develops for this legislation on the Hill and in this committee, as it has in the country, I would hope that this committee and this Congress seriously consider some voucher legislation.

In that context, Mr. Chairman, I would say to some of the people that have expressed their questions this morning, I think those issues are fully resolvable through the legislative process by drafting legislation in consultation with the department, as a legislative matter that would achieve a voucher system that accomplishes the purpose. The purpose is how to direct education money directly to students for the purpose of education. I think the voucher proposal does that a lot better. My specific question is this. In your legislation, you propose that administrative costs of administering the program or the vouchers would be borne by the local school districts even for students that they no longer have.

Are there other options to that? It seems to me that Pell grants and other kinds of higher education grants use other kinds of administrative techniques, including the Department of Education directly administering Pell grants. I wonder what are the options that you have considered or would consider other than having an LEA administer a voucher for somebody else's student.

Ms. **LeTendre**. Well, I think it really isn't somebody else's student. It's a student who lives in that area who needs the assistance. We now have provisions in the legislation to allow such things as supervision, and there are types of costs like that which I think would still be borne by the LEA who has that kind of responsibility.

You're saying to remove the responsibility from the LEA we'd have to look at that, because it would have other implications as well. We would not see a great number of children being somebody else's student.

Mr. **Bartlett**. If the student goes to another school, then it's the other school's student, but that's the kind of specific legislative issue I had mentioned.

Secretary **Bennett**. Yes.

Mr. **Bartlett**. I would suggest that when this committee decides to begin drafting legislation, those are the kinds of things that we should consider. I think that there is far more support in this Congress for vouchers than one would think, more I think than on this committee, although I think all members of the committee have an open mind on it. I think it's the kind of debate that will continue. It's the kind of issue of which I think the country as a whole is far more supportive than the Congress, and I look forward to working both with you and also with the chairman of the committee and all members of the committee to draft a specific piece of legislation that would help to resolve the question on the side of assisting students in a direct manner.

Secretary **Bennett**. Thank you.

Mr. **Hawkins**. The Federal aid has been constant or let's say, some reduction, but the total spending which means State and local spending has increased, is that the significance of the chart?

Secretary **Bennett**. I think the chart shows two significant things, Mr. Chairman. First, is how far that red line is above the green line. That is, it shows us what the Federal share in education spending really is. I wouldn't argue with your chart at all. But the point is, whether the Federal share is 6, or 8, or 9, or 10, or 11, it's still a very small portion of the whole.

The other thing I thought it would be interesting to point out is in the area of the words, "Reagan request," that's what we asked for, the final as opposed to departmental appropriation. That little area is what all the fighting between this administration and the Congress has been about. That's not to say these aren't arguments worth having. They are. But we should remember that we are an educational system primarily financed in the State and local area. And the main point of this chart of course, is to show that overall educational spending in this country is up, and up fairly significantly.

Chairman **Hawkins**. Would you interpret that to mean that the commitment to education overall has been that the States and local governments have had a stronger commitment than that of the Federal Government whose commitment seems to be represented in this chart as having declined rather drastically over the last 5 or 6 years whereas the State and local commitment has gone up, which is more or less an offset for the decline which this chart represents?

Secretary **Bennett**. I would distinguish between role and commitment. I think our commitment is significant and serious.

Chairman **Hawkins**. Let's say dollars. Let's forget about commitment. Let's say dollars.

Secretary **Bennett**. The role of government in education is clearly primarily a State and local one, and I think everybody wants it to remain such.

Chairman **Hawkins**. Well, everybody doesn't want it to remain. Everybody wants the Federal commitment to increase.

Secretary **Bennett**. No, not everybody, sir.

Chairman **Hawkins**. I think you'll find this committee is fighting for that commitment to continue. We may differ on the amount that goes into it.

Secretary **Bennett**. I agree with that.

Chairman **Hawkins**. Regardless of what we want, is the significance of that chart that the amount of money which the Federal Government has dedicated to education has declined in the last 5 years, is that true?

Secretary **Bennett**. No; I know you want to make the best out of my chart; I know you want it for your purposes but let me try to get it back to my purposes.

Chairman **Hawkins**. I thought you went along with this chart a few minutes ago.

Secretary **Bennett**. I do. This is a bigger universe.

Chairman **Hawkins**. Let's stick to this one then.

Secretary **Bennett**. Your chart is on my chart, if you show that little decline.

Chairman **Hawkins**. They both are correct.

Secretary **Bennett**. We're talking about the whole thing. The point of this chart is that the American people are exceedingly generous to education and are willing to continue to be so.

Chairman **Hawkins**. That isn't true either.

Secretary**Bennett**. Sure, they are.

Chairman **Hawkins**. Look at the chart over to the right, look at that chart.

Secretary **Bennett**. There they are in all their capacities.

Chairman **Hawkins**. In the green area, that's the commitment of the Nation to national defense, which, as you will see up above the green slice of the pie, has been increasing. This is 1981 over 1987.

Look down below, and you'll see the purple slice of the pie which includes education, that slice is shrinking. So what has happened obviously is that that has been shrinking because the money has been used up above in the green section which is defense and in the brown section which is the interest on the national debt.

So if you were to have a slice of the pie on that chart, it will be a line so thin that it would not even be visible, and that represents what you're trying to portray over here.

Secretary **Bennett**. That's the Federal budget, sir. That's the Federal budget. If you want a flat line, I'll show you a line for State and local expenditures for defense—unless the Texans are going to put that Air Force back up.

Mr. **Bartlett**. Now you've stopped preaching and gone to meddling.

Chairman **Hawkins**. Let's not you or I defend the Department of Defense or criticize it, because that's not our role. Cap Weinberger is going to take care of the Department of Defense. We're just asking you to be just as diligent as Cap Weinberger when you sit in on the cabinet to speak up for education.

Secretary **Bennett**. I do.

Chairman **Hawkins**. It's been my contention around the country, I haven't seen anyone that disagrees with it yet, that we are not defending education as well as we are defending the defense with a cabinet member who is obviously speaking up for defense.

Now you seem to be contending today that the Federal Government in some way, some mysterious way is putting more money into education today than it did in 1980. Do I read that from what you've said?

Secretary **Bennett**. Mr. Bauer, is that right?

Mr. **Bauer**. Yes; our budget has gone from $15 billion to $18 billion.

Chairman **Hawkins**. And making the necessary adjustments for inflation, as they do for defense, are you saying you're putting as many dollars based on the value of the dollar into education today as we were in 1980?

Mr. **Bauer**. The Reagan administration, when you take all of its policies, is putting more money in education, because what we have done is protected the 90 percent of State and local spending on education from the ravages of inflation, and that is much more than we could have done by putting another billion dollars in our budget.

Chairman **Hawkins**. Are you saying, let's keep constant dollars in mind, making adjustments for inflation, are you saying you are putting more money into education today at the Federal level than what was being put into education in 1980?

Mr. **Bauer**. I'm saying the Reagan's administration policies in their entirety have resulted in more money being spent on American education.

Chairman **Hawkins**. I don't know what you mean by entirety.

Secretary **Bennett**. Mr. Hawkins, a Federal dollar doesn't educate anybody any better than a State dollar or a local dollar does. They're all dollars, and it's how we use those dollars, that's what truly matters. Federal dollars don't come with little footnotes or something that make them better education dollars. The American people have been remarkably generous. And because of the low rate of inflation, those dollars are buying more, and that, Mr. Chairman, is significant.

Chairman **Hawkins**. We're really not talking about the same thing. The chart over to the left, let's get over to that, indicates that chapter 1 has decreased 25 percent. Now I assume you challenge that chart as well.

Secretary **Bennett**. I think we'd like to respond to that chart, yes, sir.

Chairman **Hawkins**. Would you respond to that chart showing the specific amounts that have gone to those same programs that we have used on that chart?

Secretary **Bennett**. Sure.

Chairman **Hawkins**. Giving us specific dollars, so that we may have that as a matter of record. I think we just differ on something, and this argument back and forth as to what it means may be a matter of philosophical difference more than anything else.

Secretary **Bennett**. All right.

Chairman **Hawkins**. Mr. Secretary, may I again express appreciation for the committee? We kept you longer than I anticipated. You've been generous of your time. I think the discussion has been very constructive. We will, as had been indicated, be marking up a chapter 1 reauthorization at some time in the future. I think this helps in that mark up. We will invite you back during that mark up in order to help us.

We do not consider chapter 1 perfect. We consider vouchers a lot more imperfect than chapter 1 so obviously we're trying to protect the program but I think that your ideas would be helpful to the committee on this and other matters before the committee. On behalf of the committee, we express our appreciation.

Secretary **Bennett**. Thank you. We like Chapter 1 and vouchers too, so thank you very much.

Chairman **Hawkins**. Thank you.

[Whereupon, at 1:23 p.m., the subcommittee was adjourned.]

[Additional material submitted for for the record follows.]

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION AND PUBLIC AFFAIRS

April 29, 1986

Honorable Augustus F. Hawkins
Chairman
Subcommittee on Elementary, Secondary,
  and Vocational Education
Committee on Education and Labor
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

On February 26, 1986, Secretary Bennett and several Department of Education officials testified at a hearing before your Subcommittee on Elementary, Secondary, and Vocational Education on H.R. 3821, the Equity and Choice Act of 1985. During the proceedings, the Secretary agreed to submit for the official hearing record answers to questions posed by Members and other documents providing information requested by the Subcommittee. Enclosed is the information requested by the Subcommittee.

Sincerely,

Frances Norris

Frances M. Norris
Assistant Secretary

Enclosures

①

MARYLAND AVE. S.W. WASHINGTON D.C. 20202

1. The Secretary was asked to provide information on where choice projects are in operation.

Existing Programs of Choice

California/Washington State -- These states have a program which pays for tuition for drop-outs to attend public and private education clinics.

Colorado -- Has established a "second chance" program which pays for drop-outs to attend public school programs of their choice.

Iowa -- The state has a law which allows parents to appeal to the State Board of Education if they feel their schools are not offering adequate educational programs. The Board can require that the district send those children to other schools.

Florida -- Allows high school students to take public or private postsecondary courses in a "dual enrollment" program in which the state pays the tuition.

Minnesota -- Allows high school juniors and seniors to attend public or private postsecondary schools with the state paying the tuition. Minnesota also has an educational tax deduction which allows parents to deduct education expenses from state income taxes for children attending public or private schools. (This law was upheld by the Supreme Court in the Mueller v. Allen case).

Maine/Vermont -- Approximately 160 Maine towns and 80 Vermont towns permit parents to use tax funds to pay for tuition at public or private non-sectarian schools.

Massachusetts -- Cambridge, MA makes no school assignments; students choose among all public schools.

New York City -- District 4 (Spanish Harlem) makes no middle school assignments; offers open enrollment to elementary school students. District 5 (Central Harlem) is also converting to a similar choice policy.

Louisiana -- Has an education tax credit in effect, allowing parents to claim a $25 credit against state income taxes for certain educational expenses. The credit can be claimed by parents of students at either public or private schools.

New And Pending Proposals

Minnesota -- The state Senate has passed a demonstration voucher bill to establish state-wide schools of choice.

New York -- Has a planning grant program for regional schools for gifted children. Also, New York City plans that all high schools will be schools of choice by the year 2000.

Chicago -- the City Council has passed a resolution calling on the state to provide vouchers for up to $1,250 for its children.

New Orleans -- the public school board is planning a fund to give needy students scholarships to attend schools of choice.

California -- There is a legislative proposal that would allow a student in the lowest quartile to transfer to a better public school, or, if there is not a good public school available, to a private school.

2. Secretary Bennett was asked to submit data on All Saints Catholic School.

Address: 3420 Portola Avenue
Los Angeles, California 90032

Principal: Sister Mary Houlihan

Telephone: (213) 225-7261

Enrollment of 368 students. The school reports that nearly three quarters are eligible for Chapter 1 services.
95 percent of students are Hispanic.
Tuition rate of $55 per month for one child, $65 for two (combined), $75 for three (combined).
Most of the children are Catholic, but there are also non-Catholics in attendance.
The school rarely expels students.
The school serves handicapped students to the extent that it can. It is currently serving students who have learning disabilities, dyslexia, hearing disabilities, and severe emotional disturbances.

3. Would the voucher program make it difficult to plan for the upcoming school year?

Each school district will have to set its own schedule for implementing the voucher program. Local conditions will vary so that such schedules must meet the needs of local communities and schools. The voucher program will require some adjustments in the traditional Chapter 1 planning schedule to permit an orderly implementation of a voucher program. It may well be that a local plan would require parents to make a decision about vouchers in early spring.

4. If only a small number of children remain in school, how does the system take care of them given the loss of money?

   The resources available to serve children selected to participate in a Chapter 1 program are directly related to the number of children to be served by the program. Since the district receives money on a per child basis, it will have the same Chapter 1 resources available for each child regardless of the number of children who remain in the regular Chapter 1 program. If some children use vouchers to leave the regular Chapter 1 program, then the district will need proportionately less money to serve the children remaining in that program.

5. What responsibilities do private and parochial schools have in relation to a Chapter 1 education?

Private schools, including parochial schools, that receive voucher funds from a child's parents would be required to provide that child with a regular education, or compensatory services, or both, as agreed to by the parents and the school. These schools would not be required to establish discrete Chapter 1 projects as is the case for the school district of residence that offers the standard Chapter 1 program. It bears mention, though, that public schools (whether within or outside the school district of residence) that receive voucher funds from parents would also be required to use those funds towards regular education, compensatory education, or both, as agreed to by the parents.

The basic concept is to give parents some choice in providing for the special needs of their educationally disadvantaged children. Some children's needs may be more effectively addressed by enrolling them in a different full-time school than by having them receive compensatory services in only one or two subjects. The voucher bill would provide the economic means for parents to make this choice.

6. Paraphrasing Congressman Goodlings Remarks:

Isn't the Administration just teasing the poor with TEACH?

The projected average voucher amount nationwide -- $608 -- would make many private schools affordable to the poor. (See chart 6-1) The projected average voucher:

- Covers current costs of 65 percent of students attending private elementary schools serving Chapter 1 students (and 39 percent of all private elementary school students),
- Goes a long way towards covering the $773 nationwide average private school tuition for grades 1-8 ($699 in all elementary schools),
- Covers all tuition for some of the private schools in 15 of the Nation's 20 largest city school districts. (See Chart 6-2)
- In the 5 cities where the lowest tuitions exceed the voucher, the lowest cost schools charge only $75 more in two cities, $130 more in two cities, and $280 more in one city.

For Example:

- In New York City, where the value of the Federal Chapter 1 voucher is expected to be $819, tuition is less than $400 at most private elementary schools.
- In Washington, D.C., the voucher per child is expected to be $934. This is enough to pay for tuition at the District's Catholic diocesan schools, and covers or nearly covers tuition at a number of independent schools as well.
- In Atlanta, the voucher is expected to be worth $875; some of Atlanta's private schools charge as little as $750.
- In Dallas, the voucher is expected to be $737; elementary school tuition is as low as $600 at some private schools.
- In Los Angeles, a voucher plus $75 will cover tuition at some of the city's private schools.

CHART 6-1

TUITION IN PRIVATE ELEMENTARY SCHOOLS
1985-1986

- AVERAGE (MEDIAN) TUITION FOR GRADES 1-8 . . . . $ 773

- AVERAGE (MEDIAN) TUITION FOR ELEMENTARY SCHOOLS

All elementary schools	$ 699
Schools serving Chapter 1 students	457
Non-Catholic religiously affiliated schools	968
Catholic schools	463
Non-religiously affiliated schools	--*

- ESTIMATED PERCENT OF ELEMENTARY SCHOOL STUDENTS PAYING LESS THAN $608 TUITION

Schools serving Chapter 1 students	65%
All elementary schools	39%
Non-Catholic religiously affiliated schools	21%
Catholic schools	60%

Sources:
The median tuition for grades 1-8 is from preliminary data from the October, 1985 current population survey by the U.S. Census Bureau. The median tuition for "elementary school" is from the National Center for Education Statistics, Fall 1983 Survey of Private Schools, and has been adjusted for inflation. The NCES survey represents a somewhat lower average grade level than the Census figures (and therefore lower tuition figures), because it includes many elementary schools with kindergartens, and many that do not go beyond grade 6.

* The tuition for both elementary and secondary non-religiously affiliated schools is $1,890. Sample sizes did not permit further breakdown.

CHART 6-2

WHAT WOULD TEACH FUNDS BUY IN THE NATION'S TWENTY LARGEST CITY DISTRICTS?

District	Chapter 1 per-pupil expend.	Estimated voucher	Percent of Tuition It Would Cover in Some Private Schools
Albuquerque	$947	$900	100
Atlanta	921	875	100
Baltimore	592	562	100
Charlotte	526	500	79
Chicago	587	558	100
Cleveland	934	887	100
Columbus	974	925	100
Dallas	776	737	100
Detroit	640 *	608 *	100
Houston	1,104	1,049	100
Jacksonville	609	579	89
Los Angeles	294	279	80
Memphis	656	623	69
Milwaukee	435	413	100
Nashville	821	780	100
New Orleans	1,099	1,044	100
New York	862	819	100
Philadelphia	551	523	100
San Diego	342	325	72
Washington	983	934	100

- In 15 of the 20 cities, the projected voucher amount covers all the tuition in at least some private elementary schools.
- In the 5 cities where tuition exceeds the voucher, it does so by only $75 in 2 cities, $130 in 2 cities, and $280 in 1 city.

* Chapter 1 per-pupil expenditures are unavailable for Detroit. This table shows, instead, the national average.

7. What is the definition of a school, what definition do we use in the voucher bill, and how does it relate to state definitions?

In addition to any public elementary or secondary school, as already defined in Chapter 1, TEACH would allow parents to use voucher funds at any private school that (1) provides a full-time program of elementary or secondary education, (2) is an "educational organization" under section 170 of the Internal Revenue Code (i.e., an organization that (a) normally maintains a regular faculty and curriculum, (b) normally has a regularly enrolled body of students, and (c) has a regular place of operations that the students attend), and (3) does not discriminate on the basis of race.

This definition does not depend on State law, nor require that private schools be certified by the State. While each State is, of course, free to define what an elementary or secondary school is for its own purposes, we do not believe that it is necessary or appropriate to require parents to use vouchers only at schools that are certified by the State. We note, however, that nothing in our bill would affect the applicability or effect of State laws, such as those dealing with health and safety standards, that establish legal conditions for the operation of educational facilities.

8. Are schools required to transport vouchered students and is it realistic to assume that they will, given the loss of money? Doesn't the fact that children might not receive transportation diminish their choices?

The bill would permit, but not require, school districts to use Chapter 1 administrative funds to pay for transportation of students whose parents obtain vouchers. Districts now spend very little Chapter 1 funds on transportation of students and we expect that, given the limited amounts available, they will choose to use Chapter 1 money for direct services or voucher payments, rather than for transportation.

We do not believe that a district's decision not to pay for transportation will significantly diminish the choices that TEACH would make available for most students. Many schools at which children could enroll under our proposal are within walking distance of the children's homes, provide transportation to students who need it, or can be reached through relatively inexpensive forms of transportation.

9. Where is the money coming from in the Harlem District 5 project?

The program, begun in 1980, was originally funded by the local educational authority. Due to the high degree of interest and widespread participation of parents, school and community officials applied for funding from the Secretary's Discretionary Fund in 1982.

In 1983, the Department of Education awarded District 5 a $170,000 grant from the Secretary's Discretionary Fund. In 1985, Harlem school officials, seeking to continue the program, asked for and received an additional $80,000 from the same fund.

10. The Under Secretary is asked to submit for the record information on the affordability of schools with TEACH vouchers in the Nation's largest city school districts.

The attached chart (10-1) shows how affordable TEACH funds would make tuition in the Nation's 20 largest city school districts. The chart show that:

- o In 15 of the 20 cities, the projected voucher amount covers all the tuition in some private elementary schools.
- o In the 5 cities in which the lowest tuition exceeds the voucher, it does so by only $75 in 2 cities, and $280 in 1 city.

CHART 10-1

WHAT WOULD TEACH FUNDS BUY IN THE NATION'S TWENTY LARGEST CITY DISTRICTS?

District	Chapter 1 per-pupil expend.	Estimated voucher	Percent of Tuition It Would Cover in Some Private Schools
Albuquerque	$947	$900	100
Atlanta	921	875	100
Baltimore	592	562	100
Charlotte	526	500	79
Chicago	587	558	100
Cleveland	934	887	100
Columbus	974	925	100
Dallas	776	737	100
Detroit	640 *	608 *	100
Houston	1,104	1,049	100
Jacksonville	609	579	89
Los Angeles	294	279	80
Memphis	656	623	69
Milwaukee	435	413	100
Nashville	821	780	100
New Orleans	1,099	1,044	100
New York	862	819	100
Philadelphia	551	523	100
San Diego	342	325	72
Washington	983	934	100

° In 15 of the 20 cities, the projected voucher amount covers all the tuition in at least some private elementary schools.

° In the 5 cities where tuition exceeds the voucher, it does so by only $75 in 2 cities, $130 in 2 cities, and $280 in 1 city.

* Chapter 1 per-pupil expenditures are unavailable for Detroit. This table shows, instead, the national average.

11. Request by Chairman Hawkins to submit charts reflecting 25 years of federal spending for education.

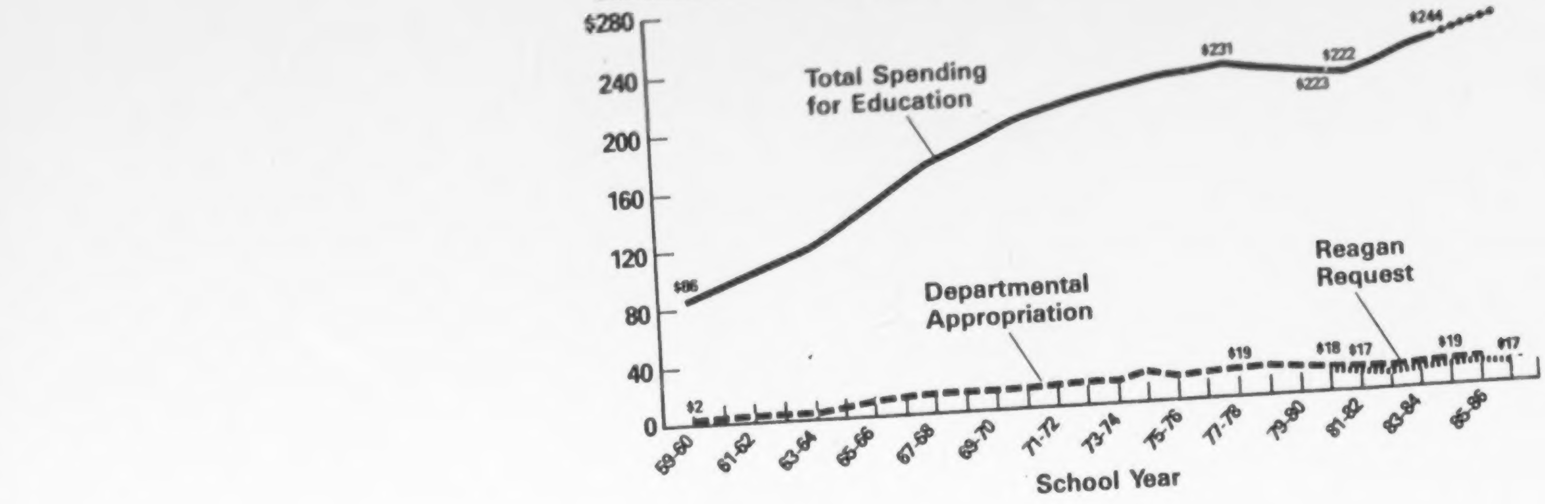
Chart 11-1: "Total Spending for Education and U.S. Department of Education Appropriations."

Chart 11-2: "Total Spending for Elementary/Secondary Education and Department of Education Appropriations."

Chart 11-3: "Total Spending for Higher Education and U.S. Department of Education Appropriations."

CHART 11-1

TOTAL SPENDING FOR EDUCATION AND U.S. DEPARTMENT OF EDUCATION APPROPRIATIONS
In Billions of Adjusted (1984-85) Dollars



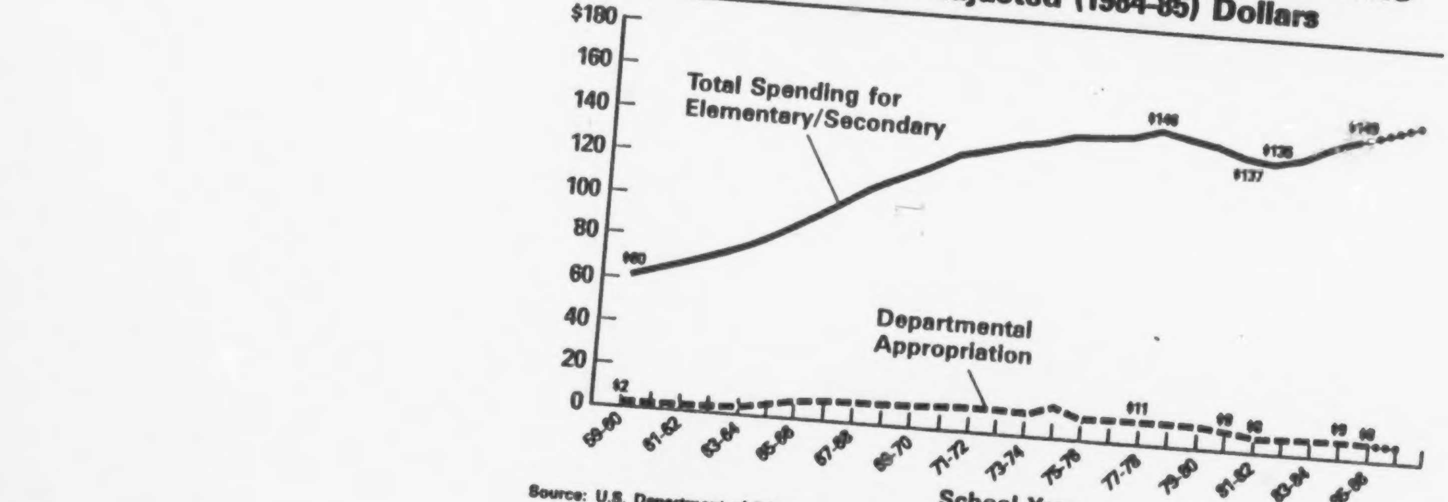
Source: U.S. Department of Education

Total spending in inflation-adjusted dollars has risen by some $22 billion over the last four years, more than regaining the ground lost in the preceding four years. During the period, U.S. Department of Education spending has remained fairly constant, accounting for only 6 to 8 percent of total spending on education in the U.S.

CHART 11-2

TOTAL SPENDING FOR ELEMENTARY/SECONDARY EDUCATION AND DEPARTMENT OF EDUCATION APPROPRIATIONS

In Billions of Adjusted (1984-85) Dollars



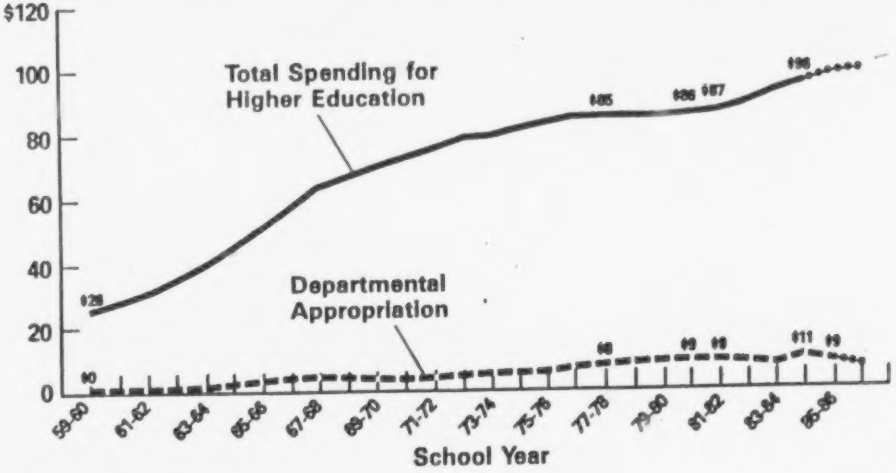
Source: U.S. Department of Education

Total spending on elementary/secondary education reached an estimated $149 billion in 1984-85, almost $14 billion more than in 1981-82 when adjusted for inflation. Over the period, Departmental spending accounted for only about 6 percent of the total spent on elementary/secondary education.

CHART 11-3

TOTAL SPENDING FOR HIGHER EDUCATION AND U.S. DEPARTMENT OF EDUCATION APPROPRIATIONS

In Billions of Adjusted (1984-85) Dollars



Source: U.S. Department of Education

Total spending on higher education increased by almost $9 billion between 1981-82 and 1984-85, the most substantial increase since the late 1960s. Departmental spending represented only about 10 percent of the total spent on higher education in recent years.

12. How are children selected into Chapter 1 programs?

Programs and projects supported under Chapter 1 must be conducted in attendance areas having the highest concentrations of low-income children or in all attendance areas where there is a uniformly high concentration of low-income children in the local educational agency. The law provides for some exceptions to the foregoing requirements for the designation of eligible attendance areas for schools, but once these areas or schools are identified, students are selected for participation in Chapter 1 programs based on an annual assessment of educational needs. This annual assessment must identify educationally deprived children in all eligible attendance areas and must require the inclusion of those children who have the greatest need for special assistance. The needs of participating nildren must be determined with sufficient cificity to ensure concentration on those needs.

13. Are vouchers taxable income? What precedent is there for this? Are Pell Grants taxable income?

The bill provides that vouchers are not taxable income. The provision in TEACH stating that voucher payments received by parents are not subject to Federal, State, or local income taxes is modeled on similar language under other Federal assistance programs, such as Food Stamps, school lunches, child nutrition, and low-income home energy assistance.

Pell Grants are not taxable by the Federal government. Section 117 of the Internal Revenue Code excludes scholarships and fellowships from gross income. A "scholarship" is defined as an amount paid or allowed to, or for the benefit of, a student, whether an undergraduate or a graduate, to aid the student in pursuing his studies. Pell Grants are scholarships within this definition.

14. How can this proposal be wrapped in equality and opportunity while at the same time circumventing the Civil Rights Act?

While TEACH would provide that the civil rights statutes do not apply to a private school solely because children use voucher funds to enroll at the school, the bill would not circumvent the protections of those statutes. Any school currently covered by the civil rights laws would continue to be covered. The bill simply provides that a private elementary or secondary school that receives no other Federal financial assistance besides voucher funds is not subjected to numerous Federal regulations that impose a variety of recordkeeping and other administrative burdens. Many such schools are small institutions, often fledgling or struggling ones, that could not easily comply with a raft of Federal procedural requirements.

The bill does, however, specifically provide that voucher funds may not be used for tuition or compensatory services at a private school that discriminates on the basis of race or national origin, and it establishes a mechanism for the Attorney General to enforce this prohibition.

With respect to sex and handicap-based discrimination, the bill would not significantly modify Federal law. Currently, Title IX (barring sex discrimination) does not apply to the admissions practices of private elementary and secondary schools. Similarly, with respect to handicapping conditions, the Department's Section 504 regulations do not now require a private school to admit a handicapped student with special educational needs if the school does not offer programs that, with minor adjustments, can meet those needs.

15. How do you determine the worth of vouchers when the amount of Chapter 1 allocation differs within neighboring districts and when the states add a portion of their money to the allocations?

Currently, in some districts, with several different types of Chapter 1 programs, per pupil expenditures do vary widely. Under the proposed TEACH bill, however, each voucher would be worth the average Chapter 1 per pupil expenditure in the LEA. The voucher amount available for each child would be equal to the total amount of Chapter 1 funds an LEA plans to expend divided by the total number of children selected for participation in the program. Any state and local funds added to the Chapter 1 allocation would be excluded from the computation of the voucher amount. Proposed section 560(c)(2) describes how the amount of the voucher would be computed.

STATEMENT OF THE

HONORABLE AWILDA APONTE ROQUE

SECRETARY, PUERTO RICO DEPARTMENT OF EDUCATION

BEFORE THE

HOUSE SUBCOMMITTEE ON ELEMENTARY SECONDARY

AND VOCATIONAL EDUCATION

H.R. 3821

STATEMENT OF THE HONORABLE AWILDA APONTE ROQUE

SECRETARY, PUERTO RICO DEPARTMENT OF EDUCATION

Mr. Chairman and Committee Members:

I am Awilda Aponte Roque, Secretary of the Department of Education in Puerto Rico. I welcome this opportunity to appear in the record with our views of the effects the proposed Equity and Choice Act of 1985 could have on the public school system in Puerto Rico.

In 1986 there were 705,525 children in the regular elementary and secondary programs of the Puerto Rico Department of Education. They were taught by 35,000 teachers and teachers aides; 2,226 special education teachers and aides; and 3,000 fine arts and other special program teachers.

During the current year there are 292,689 children receiving services under the Chapter I compensatory education programs, or 43% of the regular school population. A federal grant of $108,413,618 was received to provide these compensatory services, which are offered in all of the 100 school districts around the Island as well as in 85 private schools.

There are no local school districts in Puerto Rico. Instead, the central administration of the Commonwealth Department of Education administers all elementary and secondary public education programs throughout the Island. For purposes of federal programs such as Chapter I program, the entire public school system is treated as a school district.

Nearly 20% of the Commonwealth budget from general funds are allocated to the Department of Education. Additional funds are allocated from special funds, and public works funds. In 1985 federal grants to the Department constituted one third of the Department's consolidated $810.2 million budget.

The Chapter I funds made up about 40% of all of the federal awards in support of public elementary and secondary education programs on the Island. By law, and need, some of these funds (about 2.61%) were distributed to private schools serving eligible students.

From the data given, calculations can be made which show that in order to provide a free public education for all children exercizing this constitutional right in Puerto Rico, the Department of Education has a budget of $777 per pupil in general revenues and $392 from other sources. This is far below the national average of $3,173 per pupil spending, or even $2,053 in Utah, the lowest ranked state, in 1983-84, the most recent year for which data is available from the National Center of Education Statistics.

In this context the compensatory education programs have enabled the Department to strenghten its efforts and initiate new approaches for meeting the needs of the children with the greatest educational, social and economic disadvantages affecting their academic achievements. Grants funds have enabled the Department to add resource teachers and teachers aides to the staff for a team teaching approach in eligible classrooms. Cultural activities have been added to the compensatory program to enrich the background of eligible students. New curriculum materials have been purchased or produced in-house. Teachers have received special training for providing compensatory services to these children.

The Chapter I program is believed to have had an important effect in improving student achievements in Puerto Rico. This is shown by an increase in the high school graduation rate from 48.4% in 1972-73 to 89.3% in 1984-85. We have read legislation under consideration by the House (H.R. 3821) and Senate (S.1876) to change the way compensatory educational services are provided to eligible students. We believe it would create serious disruptions in the Puerto Rico public school system and in improved services for disadvantaged children. Also, through the bill's provisions funds will be earmarked for non-educational purposes (such as transportation) which are sorely needed to provide direct services to eligible children.

Currently, the Puerto Rico Department of Education bases determination of student need for one service or another on teacher observation. This has proven a valid, efficient and low-cost method. Under the voucher program, the Department still would be responsible for diagnosing student needs. However, the current method would not be feasible for children of parents who chose to use their voucher to enroll them in private schools. If teachers are used for diagnosis, they will have to be paid extra for this out-of-classroom work. New methods will have to be developed. There will be a high risk of misdiagnosis as one-shot interventions replace a long-term teacher-student relationship as the basis for determining a disadvantaged child's educational remediation needs.

The burden of administration will remain with the already taut centralized Department of Education. The special oversight requirements of S. 1876 and H.R. 3821 place additional burdens on the Commonwealth Department of Education to make certain that parents do not use vouchers at schools which discriminate, or to make certain that the voucher amount received by parents does not exceed the actual cost of enrollment or tuition at a private institution.

Currently 11% of the school-aged population in Puerto Rico attends private schools. Generallly, there are three applications for each space available in the more prestigious schools. It is thought unlikely that these schools will be able to accomodate large numbers of disadvantaged children under the voucher program. Instead, responding to knowledge that parents have vouchers for school expenses, new private schools may be expected to burgeon.

It is likely that some parents will enroll their children in these private schools for awhile then return with them to public schools. This will result in fluctuations in enrollments which will hinder planning and preparation within the public school system from one semester to the next.

In summary, we believe that a voucher program of the type that would be established under S. 1876 and H.R. 3821 would be more costly to administer than the current Chapter I program, would result in serious planning difficulties for the public school system, and is not likely to result in improved remediation of eligible children's educational needs.

We are aware of the extensive and deep consideration being given to this proposed legislation. We hope this brief expression of the unfavorable impact a change from the Chapter I program to a voucher program is likely to have on education for eligible disadvantaged children in Puerto Rico will balance your decision for continuation of the Chapter I program.

Thank you for this opportunity to present our views for the record.

STATEMENT OF

LOIS C. WALDMAN

ACTING DIRECTOR

COMMISSION ON LAW AND SOCIAL ACTION

AMERICAN JEWISH CONGRESS

BEFORE THE ELEMENTARY, SECONDARY AND VOCATIONAL
EDUCATION SUBCOMMITTEE
OF THE
COMMITTEE ON EDUCATION AND LABOR
UNITED STATES HOUSE OF REPRESENTATIVES
99th CONGRESS, 2ND SESSION
JANUARY 30, 1986

HEARING ON H.R. 3821, The EQUITY AND CHOICE ACT OF 1985

AMERICAN JEWISH CONGRESS
15 East 84th Street
New York, NY 10028
(212) 879-4500

The American Jewish Congress welcomes this opportunity to state its opposition to H.R. 3821, the so-called Equity and Choice Act of 1985. Briefly stated, the Act would require Local Education Agencies to offer parents of children eligible for remedial services under Chapter I of the Educational Consolidation and Improvement Act of 1981, 20 U.S.C. §3801, et seq., vouchers for the value of these services. Parents could use these vouchers either to purchase remedial services at the schools at which their children are enrolled, at some other public school at which they are not currently enrolled, even if it is in another district, or at a private school, including parochial schools. No school is required to participate in the program.

The Act further provides (§560(f)) that vouchers shall not be considered federal financial assistance. Nevertheless, the Act provides (§560A) that vouchers may not be used at racially discriminatory schools. Only the Attorney General is authorized to enforce these provisions (§560A(a)(3)).

We do not propose, on this occasion, to consider the constitutionality of H.R. 3821 under the Establishment Clause for this bill is, in our view, unsound as a matter of national educational policy. That, of course, is sufficient reason for this Committee to defeat this bill.

Choice is an alluring concept. The supporters of the bill ask what is wrong with giving parents a choice? The answer, perhaps, would be nothing, if there were in fact a real choice to be had.

The Chapter I program is, by its terms, targeted at the educationally disadvantaged who are also economically disadvantaged, 20 U.S.C. §3805(b). What realistic alternatives do parents of such children have? What suburban district is going to accept vouchers as sufficient payment of tuition for inner city school children and those who are educationally disadvantaged at that? And what inner city parent will send his child on a bus to the suburbs for a few hours a week of after school remediation?

Inner-city parochial schools are performing yeoman services in teaching their students. But these schools, already heavily subsidized, are typically in no position to accept additional students. (And if they could, they would probably draw away from the public schools the most motivated students, leaving the public schools worse off then before). Providing vouchers does nothing to increase actual opportunities to exercise choice for those who might send their children to such schools.

It is simply implausible that the relatively low sums to be allocated under this proposal, which will be further reduced by Gramm-Rudman-Hollings, will be sufficient to induce the creation of additional schools. This bill is not about choice, it is about subsidizing private schools. At a time when federal aid to public education is being sharply reduced, it makes no sense to divert additional funds from these schools to private schools.

This is the fundamental reason why the choice argument is misleading. The Equity and Choice Act is a manifestation of a broader philosophical attack on the concept of public education. Its sponsors view the public schools as merely transmitters of knowledge, and ask, quite reasonably from their perspective, why the public schools should enjoy a monopoly on government support in carrying out this task.

But the view of the sponsors is not that which Americans have typically held. The public schools - in the past, frequently and more accurately called common schools - serve a more important societal function than mere transmission of knowledge — that of offering a common experience to all children, rich and poor, native born and immigrant, white and black, boys and girls.* It is all too true that the public schools have not, because of _de facto_ and _de jure_ segregation, always measured up to this high charge. But by such mechanism as magnet schools, cross busing and other techniques they are trying, and coming closer all the time. Only the public schools do and can offer this additional justification for their existence. It is this unifying role which fully justifies the special claim of the common schools to a special claim on the public fisc, and it is this claim which H.R. 3821 challenges. If this attack is successful, as limited as it is, there is no doubt that further assaults on the _____

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*Of course, as with most principles, this one is not without limits. It does not justify abolishing private schools, for the state may not obtain a monopoly over education. _Pierce v. Society of Sisters_, 268 U.S. 510 (1925). That principle, in turn is also not without limits; private schools have no claim as of right to governmental funds.

special role of the public schools, and its special claim to public support, will follow.

Other problems exist with regard to this bill. As currently worded, H.R. 3821 would encourage parents of children found actually to be in need of remedial services, 20 U.S.C. §3805 (b)(2), to enroll them in other schools, even if no remedial services are provided. Granted that schools should not be empowered to routinely compel students to attend remedial classes without parental consent, and granted that sometimes a change of school will be as effective as remediation, does it follow that the government should subsidize parents' exercise of those rights, even though in many, probably most cases, the parents are making an unwise choice in depriving their children of remediation?

The civil rights provision is also troublesome, particularly insofar as the authority to initiate suits to determine that a school is racially discriminatory and hence ineligible to participate in the voucher program is limited to the Attorney General. As the bill stands now, a school which is successfully sued for intentional racial discrimination under, for example, 42 U.S.C. §1981, or a state public accommodation law, would remain eligible to participate in the voucher program unless and until the Attorney General, in his unfettered discretion, brought suit under the Equity and Choice Act. Indeed, it is even possible to read §560A(a)(3) as prohibiting private parties from bringing suits against schools for racial discrimination under other civil rights statutes, or the Internal Revenue Service from enforcing its policy* of denying tax exceptions to racially discriminatory schools.

Conclusion

For all these reasons, H.R. 3821 should be not given a favorable recommendation by this Committee.

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*We have elsewhere elaborated on our views of the proper scope of this policy vis-a-vis religious schools; Tax Exempt Statues of Private Schools; Hearings Before the Subcommittee on Oversight of the Committee on Ways and Means, U.S. House of Representatives, 96th Cong., 1st Sess. 1253-60 (1979)(statement of N.Z. Dershowitz). The factors which we suggested ought to govern in that context probably ought to apply here as well.

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